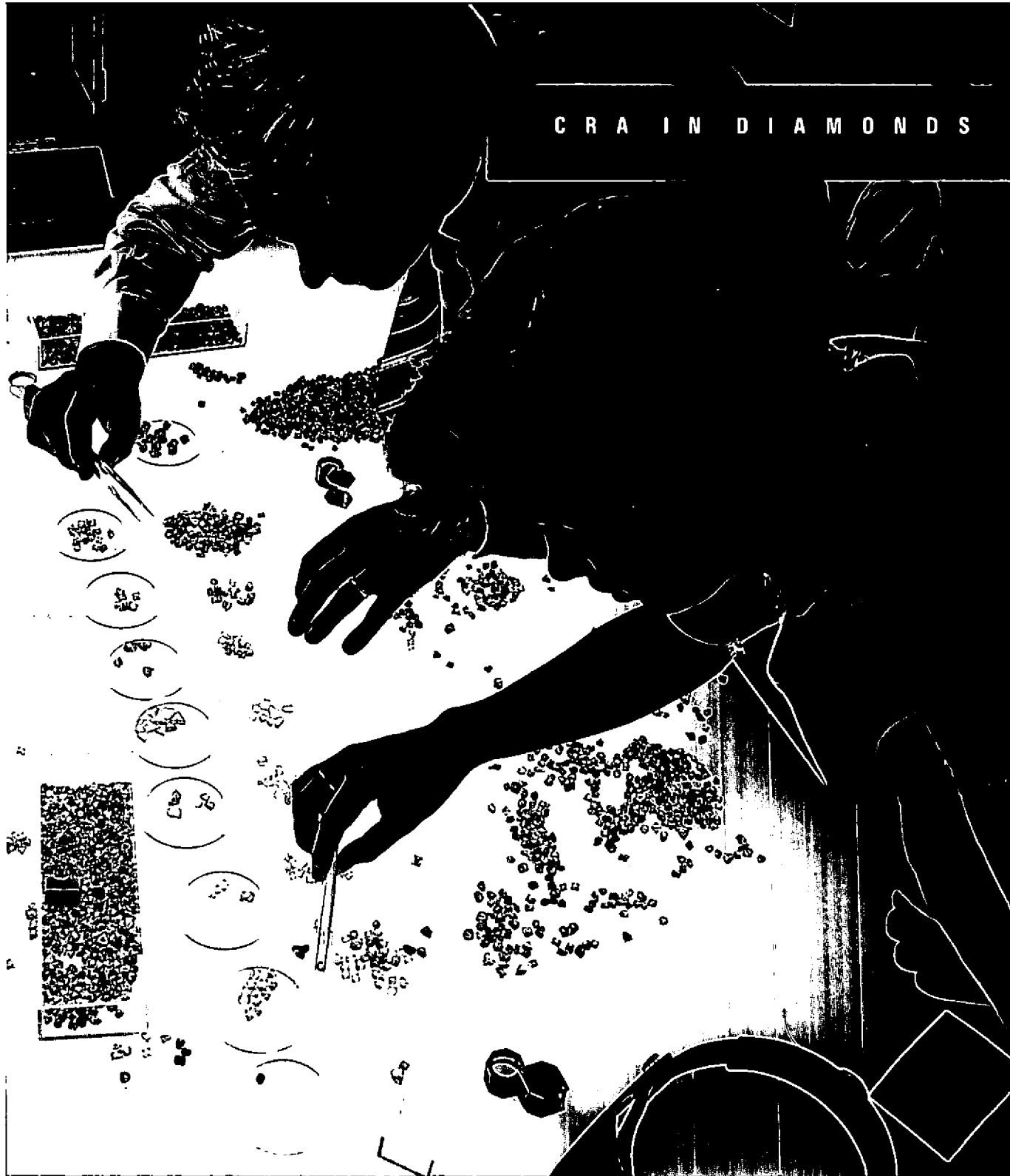


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IPA REVIEW

ESTABLISHED IN 1947 BY CHARLES KEMP, FOUNDING DIRECTOR OF THE INSTITUTE OF PUBLIC AFFAIRS

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Unsolicited manuscripts are welcomed. However, potential contributors are advised to discuss proposals for articles with the Editor. Views expressed in the publications of the IPA are those of the authors and do not necessarily reflect the views of the Institute.

LETTERS

Conscription

Dear Editor,

Re: The Conscription debate

If we accept the proposition that a voluntary defence force can indeed be paid for, then any attempt to conscript people to the task, for whatever given reason, merely becomes a means of reducing the defence costs to the community at the expense of the individual liberty of the conscripts.

How could the IPA, the champion of liberty and freedom, countenance a debate on conscription without making that absolutely fundamental point? If our community wants to be defended we all simply have to share the burden through government taxes to pay whatever it costs to fund a volunteer defence force.

To do otherwise is to put a price on liberty. Surely that is unacceptable for a civilized democratic society?

*Graeme Haycroft
Maroochydore South, Qld.*

Conservation

Dear Editor,

It is right to expose humbug wherever it occurs, but one gets the feeling that this is the *only* interest that you and your organization have in the environmental debate. In your eyes, humbug is a monopoly of the 'greenies' — a term you always manage to imbue with both condescension and contempt. I search in vain for an acknowledgment that many of those espousing the environmental cause are honorable people with Australia's interests at heart, or that some of those who view environmental concerns with such disdain might occasionally have motives as base as wishing to avoid paying to sow what they are happy to reap (and I don't mean chopping down gum trees and replanting pine trees which is what our forestry industry usually means by 'reafforestation'), repair what they wreck (mining), or clean up what they

make filthy (industry).

I believe that you would serve the conservative cause much better by recognizing the many areas of natural sympathy between conservatives and conservationists (just look at the names), rather than trying to exacerbate their differences. Politics of the right in this country have been too influenced by the get-rich-quick brigade with their develop-at-any-cost attitudes. It is the revulsion that many Australians whose tendencies are generally conservative feel towards such people that contributes to the Liberals losing elections. Conservation does not have to mean getting poor slowly, in fact it can help reverse such trends. A receptive evaluation of environmental arguments will do more towards restoring the conservatives to power than constant sneering and sniping.

*Nicholas Martin
Toowong, Qld.*

Consumption Tax

Dear Editor,

I wish to take issue with Graeme Haycroft ('Letters', Summer 1991) who stated that the introduction of a consumption tax would 'inexorably' lead to a reduction in government spending. Mr Haycroft gives no support at all for this statement and in fact the opposite is the truth. The example of the Scandinavian countries provides adequate evidence that high consumption taxes and a high level of government expenditure go hand in hand. Nor should it be naively assumed that a consumption tax will necessarily bring down personal tax rates. Again there is ample evidence of this in countries with high consumption tax.

Des Moore is totally correct in asserting that Australia's problems require tougher decisions than merely introducing a new tax.

A properly structured consumption tax in the right hands may very well be beneficial in assisting to attack our problems. However, the concept has been floated without the detail being supplied, e.g. what differential rate

levels of consumption tax will be applied and will any other taxes be replaced. The abolition of payroll tax would be a great step forward but is unlikely to be included in the overall package.

In any event, we should not take too much notice of the initial rate of consumption tax proposed as the overseas experience indicates that it will surely be increased. Personal income tax is readily identifiable and as such helps us in some small way to keep governments honest. Consumption tax does not have the same effect and is simply a dangerous tool to be left in the hands of our politicians.

Consumption tax has been described as efficient but nowhere in the arguments have I seen an estimate of the cost to business of calculating and remitting tax on every single item and service at a retail level. In addition, there is never any mention of the additional department with some 20,000 employees which would be required to administer a consumption tax.

The greatest anomaly in the Australian tax system is the sacred cow of the tax threshold. This should be abolished and tax paid from dollar one. Pensioners and others deserving of tax relief can be compensated in the form of rebates.

*J. Lewis
Ferny Hills, Qld.*

Another Forum

Dear Editor,

Readers of *IPA Review* will be pleased to learn that Michael Casey and the Tom Wolfe Society ('Youth Affairs', Summer 1991) are not alone in seeking to boost free discussion and debate within our universities.

Although the style of the two groups differs, the Monash Forum, founded at the start of this year, shares the Tom Wolfe Society's respect for "wisdom and virtue."

The Monash Forum has set out to be interdisciplinary and politically bipartisan. Accordingly, we have sponsored or co-sponsored lectures and

debates on diverse topics, and have established a quarterly journal to record and continue conversations.

Our lectures have included: "The Feminist Challenge to Liberal Thought" (Lesley Caust), "Australian Literary Culture" (Peter Craven), "The Gulf War" (Michael O'Connor), "Repression" (Ronald Conway) and "The Role of Law in Society" (Greg Craven). Debates have included "Christianity and Social Justice" (Reverends Wes Campbell and Warren Clarnette) and "The Market and the Environment" (John Stone and Francis Gray).

As to the future, the Forum has scheduled a debate on alleged biases in the ABC (Michael Danby, and Rory Sutton from ABC TV), as well as discussions led by Ray Evans, Dr Michael James, Dr John Carroll, Bishop George Pell and Dr David Kemp, MP.

Readers of *IPA Review* may be interested in our quarterly journal, *Another Voice*. It includes satire as well as records of Forum events and academic articles. Copies can be obtained from Monash Forum, P O Box 361, Rosanna, Vic, 3084. Subscriptions \$10 per annum.

*Alan Cocks and Chris James
on behalf of the Monash Forum*

Arab Culture

Dear Editor,

I found David Pryce-Jones' exposition of Arabic cultural traditions ("Honour and Force in the Kuwait Conflict", *IPA Review*, Summer 1991) enlightening and persuasive. He reflects on the tribal character of Islamic societies, the importance of honour and status, and presents a comparison with 'western'

principles of contract and equality under the law. This is linked to the considerable difficulty experienced by the Muslim lands of Western Asia and North Africa in developing constitutional government and democracy.

There is another pertinent factor which has been present for much of the 2,000 or so years of 'western' civilization but which did not develop in 'Asian' societies. It, too, is related to differences in the tribal/family structure. The collapse of tribalism and of the extended family in the slave and commercial culture of the Roman Empire (slavery does not encourage family life; commercialism encourages individualism) fostered the single or nuclear family. The extended family is not hospitable to individualism. Under favourable circumstances, individualism and a strong commercial or industrial middle-class assists the growth of humanism. Christianity, too, has a special concern for the individual. It is a religion which retains a sense of history. Humanism is often linked with the study of history and of literature.

The torture chambers of the Iraqi regime, the lack of concern for the individual, is attributable in part to the absence of a strong humanist tradition. It is true that western civilization produced Hitlerism and that medieval knights could treat the peasantry quite brutally. Humanism has undergone periods of relative eclipse and is currently in decay. But in the past, divergences from the western humanist tradition have been punctuated by strong reassertions of liberal humanist principles. These provide a benchmark, an ideal.

The lingering presence of this tradition in many western countries and its weakness in many Asiatic ones may help explain some of the differences in culture and politics.

*Dr Alan Barcan
Charlestown, NSW.*

Universities

Dear Editor,

J.R.R. Tolkien once wrote that some matters require a week's answer or none. One such matter is the obscure field of student politics. In his short and

simplistic appraisal of this topic, Andrew Taylor ('Letters', *IPA Review*, Summer 1991) need not have bothered.

The Government's recent attacks on the universities have not passed without causing grave concern to myself and many other students. We have long recognized the Unified National System and its forced amalgamations of tertiary campuses as a serious menace to the autonomy and future of our universities.

This menace to our universities threatens an erosion of academic freedom and intellectual integrity. To fulfil its intended role as a *place of learning*, the university requires an environment of free thought, inquiry and exchange of ideas. Without this, the university is reduced to a mere *place of training*.

To instil an atmosphere of coercion and compulsion, such as that represented by compulsory membership of student unions, is to introduce a concept morally repugnant to the spirit of intellectual freedom the university was founded on. Voluntary student unionism, therefore, in countering this compulsion, is a necessary corollary of the traditional idea of the university as a place of learning.

It is disappointing that Mr Taylor fails to see this. His comments reflect both an inherent lack of appreciation for ideas in general, and an unwillingness to consider the broader principles on which the university is founded.

Equally sad is Mr Taylor's readiness to erroneously equate success with electoral victory. Without a firm foundation of ideas and governing principles, electoral victory will readily twist into the most grotesque of failures.

However, Mr Taylor should not be blamed for the one dimensionality of his comments. The fault lies, perhaps, with the failure of South Australian universities to fulfil their traditionally intended role as places of learning.

*E.J. Zanatta
National Secretary,
Australian Liberal Students'
Federation*

Correction

A note from the librarian of the Australian Bureau of Statistics in Western Australia has drawn my attention to an error in the Summer *IPA Review* 'Indicators', p.8. The source for the number of people employed June 1990 compared with June 1989 should have been ABS Cat. No. 6248.0, not 6448.0, as printed — Editor.

The Editor welcomes letters for publication. They should be addressed to The Editor, *IPA Review*, 6th Floor, 83 William Street, Melbourne, 3000 and normally kept to no more than 300 words.

Labor Needs a Philosophy

The last decade in Australian politics has belonged to Labor. Today, Mr Hawke leads the most politically successful Labor Government in Australian history, and five of Australia's six states have ALP governments.

Political fortunes, as the NSW election showed, can wax and wane in unpredictable ways. Nevertheless, from the perspective of mid-1991 Labor's fortunes look decidedly bleak. Mr Hawke's Government now trails the Federal Opposition in the opinion polls by 15 points — and the still deteriorating economy gives little hope of reversing that. The Royal Commission into WA Inc. is sounding the death knell of that State's government. Royal Commissions also exist in South Australia (into the SA State Bank) and Victoria (into the State Bank/Tricontinental affair). In Victoria, record bankruptcies, record post-War unemployment, and financial disasters — from the VEDC to the Pyramid collapse — as well as frustration with the new Victorian Certificate of Education virtually guarantee the demise of Mrs Kirner's Government. The minority Labor Government in Tasmania could fall at any time by a withdrawal of the support of the Greens. Only in Queensland does Labor look safe.

Labor's strength in office has been its pragmatism, its willingness (with some exceptions) to abandon socialist icons where they would prove unworkable or unpopular in the electorate. In foreign policy the Hawke Government has been pro-American. In economic policy Labor is no longer wedded to a

belief in the inherent superiority of public ownership. Some areas of social welfare have actually been curbed and fees (albeit small) have been introduced at universities. Wage costs have slowed and deregulation (although not of the labour market) has become fashionable. This is not to say, of course, that Labor should not have done more (see our second Editorial).

But pragmatism, the source of Labor's strength in the electorate — which is relatively conservative and suspicious of dogma — poses a problem for Labor among its own members, many of whom still worship at the shrine of socialism. This is less of a problem while Labor remains in government. In office, power has its own rewards; it allows party supporters, disgruntled with unorthodoxy, to be appeased with the fruits of patronage. But once out of office, and with dim prospects of regaining government for two or three terms, what will keep party members loyal? Can the strained coalition between the socialist left and the Labor right (who have more in common with the Liberals than with the Labor left) survive?

Memories of the split in the mid-1950s — which kept Labor out of power for nearly 20 years — are probably too deeply etched into Labor's collective psyche for it to be repeated in the 1990s. Some disenchanted Laborites will be lost to the Democrats and associated green groupings; although for many traditional Labor people these are not viable alternatives. (The Democrats lack Labor's union links and are unlikely ever to be substantial enough to win government.)

A mass political party needs to be broad enough to appeal to a wide constituency; it needs to be flexible enough to adapt its policies to changing circumstances. But it also needs a philosophy; it needs to stand for something other than the quest for power (which all political parties share). What now does Labor stand for? What is the particular vision which guides it, the set of beliefs which unite it?

Labor's lack of philosophical principles has made it susceptible to capture by interest groups. Corporatism has been the result — relationships of privilege with powerful institutional interests and their representatives. This is hardly consistent with a commitment to the 'little man'. A special relationship with the ACTU is not the same as representing Australian workers. Fortunately, the Royal Commission into WA Inc. may accelerate Labor's disillusionment with corporatism.

Labor's poverty of philosophy has also left it vulnerable to criticism from the left that it is unprincipled, that it has no conscience. Such criticism corrodes the morale of a party. Moreover, guilt about principles betrayed will make regression to socialist ideals, once Labor is out of government, possible.

Reverting to a socialist program would be a mistake. But this is not to say that Labor should abandon its traditional ideals of improving the lot of the ordinary working man and woman, aiding the downtrodden and opposing privilege. On the contrary, there is nothing inconsistent about reaffirming this commitment, while at the same time recognizing that 'democratic socialism'

must be discarded. It is not socialist policies which enrich workers; they merely impoverish the whole community while creating a new class of privileged social planners and bureaucrats. Consumers are empowered by market choice and competition, not by state monopolies. Families are empowered by low taxes which give them more disposable income, not by the inefficient conversion of high taxes into a social wage. Workers are empowered not by deals done before centralized tribunals, but by the

freedom to organize and bargain at workplace level. The children of the working class are empowered by an academically rigorous education, not by the lowering of standards in the name of child-centred learning. Nor is there anything equitable about 'welfare-state' policies which force the working class to pay for the 'free' education of the middle class at universities; or provide the middle class with 'free' medical care at public expense.

It is important to Australian

democracy that Labor remains a strong and credible political party. The experience in Australia and in many places overseas is that the appeal of socialist ideals is far greater among intellectuals than among the working class. Whatever soul-searching Labor does in opposition, it should resist the pressure from left-wing intellectuals to equate concern for the working man with 'democratic socialism'.

Can Australia Avoid a Depression?

The jump in unemployment to 9.9 per cent in April — a 1.6 percentage points increase in only three months — produced a surprisingly mild political and media response. The April figure and the evident prospect of further increases in the months ahead should have produced a far more substantive government response. Inexplicably, all that the Prime Minister could do was to apologize for the suffering being experienced and agree to put unemployment on the Premiers' Conference agenda! For his part, Mr Keating seemed to think that lowering interest rates another notch is all that is required to "go and get on with" a recovery!

Readers of *Review* will know of our consistent warnings over the past three years that, without radical changes in policies, there would be a recession. It must now be obvious that the Government did too little too late to change policy settings during those three years, let alone the five years since Mr Keating, then Treasurer, warned of the danger

of Australia becoming a "banana republic". The failure to make the necessary policy adjustments is not entirely due to the Labor Government; there has been a very wide failure to realize just how uncompetitive the Australian economy has become and what needed to be done. The end result is that we now face a serious risk of a depression — that is, a number of years with unemployment at levels not seen since the 1930s and with little or no growth in living standards. This would not simply be an economic crisis: it would also threaten to widen social divisions and create political instability.

Government claims that our economy has undergone substantial structural adjustments and that these are being reflected, in particular, in lower inflation and interest rates, an increased share of national income going to profits, a 'structural' budget surplus and an improvement in export volumes. However, such claims need to be weighed against the following:-

- While export volumes have increased encouragingly since 1983-84, our current account deficit is still at an unsustainably high 4.5 per cent of GDP even with the recessed level of demand we now have. Moreover, despite a small increase in the share of exports of services and non-metal manufactured goods, we remain primarily dependent on commodity exports;
- The surge in *overseas* economic growth that occurred in the 1980s has ended. There is a consequent likelihood of poor export prices and volumes over the next couple of years;
- Federal and State environmental policies, increasingly unfavourable to economic development, are a disincentive to private investment, particularly in export industries;
- While falling inflation will improve international competitiveness if it is

sustained, lower prices to date have primarily been at the expense of profits, as the disastrous fall in profits in the March quarter shows. Meanwhile, the Accord and the power of the trade union movement are holding up wage costs at a time when they should be slowing sharply. Until costs fall, investment and employment will be slow to recover;

- The already large increase in public sector spending in 1990-91, and the 'blow out' in the public sector deficit (to two to three per cent of GDP), will require that *private* sector spending and employment continue to be suppressed unless and until fiscal policy is tightened. In these circumstances talk of a 'structural' budget surplus is downright misleading.
- The scope available to reduce *real* interest rates (and hence the exchange rate) is very limited because of the need to keep private domestic spending suppressed in the face of increased public sector spending and borrowing and the need to reduce the current account deficit. This in turn will keep the cost of capital high. (In any event, high debt levels and reduced capacity to service debt mean that both the demand for credit, and the ability of financial institutions to lend responsibly, will improve only slowly.)

It is important to understand why Australia is in such a deplorable situation. If we do not recognize the underlying causes, there is a very real risk that the wrong solutions will be adopted.

There is, for example, a body of opinion, reflecting the conservative wings on both sides of the political spectrum, suggesting that 'deregulatory' economic policies are to blame. Given that competitive forces continue to be heavily regulated, even prevented from operating, in large sections of the economy, this is remarkable. True, manufacturing protection has come down to an average level of 16 per cent from 21 per cent in 1983. But, as the depreciation in the real exchange rate over the same period has more than offset this reduction in protection, the increase in imports cannot be said to be due to a reduction in the capacity to compete against foreign competition. Equally, while the share of manufacturing declined from 23 per cent of GDP in 1972-73 to 17 per cent in 1988-89, this was likely due less to 'deregulation' than to an increase in the relative level of consumption of services as real incomes rose.

Further, while we have experienced an excessive growth in borrowing and spending following financial deregulation, this cannot be attributed to deregulation *per se*. Inadequacies in monetary and other policies must also be taken into account. The primary cause of the deterioration in Australia's external situation has been that government fiscal, monetary and wages policies were operated in a way that was highly conducive to spending rather than saving. The Government created a 'moral hazard' problem by appearing to underwrite the increase in borrowing that spread widely in the community. The existence of financial regulation in Australia did not prevent three earlier

episodes of 'boom and bust' in credit during the post World War II period, just as the existence of command economies in Eastern Europe with 'strict' import controls did not prevent a number of those countries incurring serious external payments and debt problems.

Australians have been through a government-created period of excessive spending for which we will now have to pay a price. We can do that in one of two ways. Either we accept a lower standard of living as debts are serviced and paid off, or we lift our performance and provide the servicing through higher productivity. Clearly, we should pursue the latter course, rather than relapse into a protective cocoon or wait until lower inflation works its way through a depressed economy.

But that requires that governments should not simply sit on their hands and do nothing. On the contrary, if a depression is to be avoided policy changes are urgently needed to create a much more competitive economy. *Further*, not less, 'deregulation' is needed in areas such as the labour market and the provision of government services in particular. Only in that way can Australia now provide the jobs to reduce unemployment.

That does not mean the abandonment of all 'regulation' of the economy — far from it. We will still need macro-economic policies to regulate the overall levels of spending and borrowing, and other regulatory policies will be needed to provide a framework that allows competitive forces to operate effectively and equitably. ■

APOLOGY

Some subscribers received the last issue of *IPA Review* with the page edges glued together. For this we apologize, and so does our mailing house. The Managing Director of the mailing house has assured us that this will not happen again. If it does, please let me know so that I can send you a replacement copy and take appropriate action — Editor.

A Ban on the Free Exchange of Information

A new Commonwealth Act outlaws a freedom upon which many businesses depend for their viability.

KEVIN HINRICHSEN

ON 24 December 1990 assent was given to an Act with the potential to destroy many small businesses and have a serious effect on job opportunities.

The Act, known as The Privacy Amendment Act No 116 1990, is to come into force on 25 September 1991. While it contains many good motherhood type provisions, such as prohibition against recording race, creed, sexual preference, etc, in the Act are features that will make it impossible to run many types of small business.

This is a death sentence for many small companies.

The Act outlaws the exchange of information (except by credit providers as defined in the Act) concerning the credit worthiness of new customers and potential debtors. The penalty is a fine of up to \$150,000. This is a death sentence for many small companies.

Credit providers are defined in section 11B of the Act as banks, building societies, credit unions or retail businesses that issue credit cards.

All other firms, even though the very nature of their business demands that they must provide goods or services and be paid later, are excluded. The prohibition is not just against receiving a credit report but also against providing information to a credit reporter or to a colleague.

After 25 September, any company that gives credit has no way of avoiding the chronic bad debtor.

In a submission to the Commissioner, the following points were made:

- Many businesses, by their very nature, are unable to insist on payment before supplying goods or services. They give credit on a short-term basis and should be classified as "credit providers".
- Prohibiting small businesses from exchanging information on defaulters makes them unable to avoid bad debt.
- The unintended result of the Act will be large-scale failure

of small business as hard-core defaulters take advantage of the restriction on sharing information.

- As a result of business failure unemployment will rise.

Protecting both business and the customer

It is my view that:

- Small businesses should be able to exchange information with a credit reporting agency, **provided that**, when the credit reporting agency receives the information, the agency must notify in writing the person named and that person should be given the opportunity of correcting any inaccuracy in the information provided.
- Before the credit reporting agency gives information about a consumer to a business as a result of a credit enquiry, the person about whom the enquiry is made should be notified and given the opportunity of correcting inaccurate information.

An honest person would have no fear of credit reporting if the above conditions applied. He or she would be helped by being able to show a good track record.

The timing of the giving of assent to the Act on Christmas Eve would appear to be to avoid scrutiny by the media.

All firms that have in the past exchanged information about a consumer, either favourable or unfavourable, or have given a trade reference should obtain a copy of the Privacy Amendment Act No 116, 1990, from the Commonwealth Government Printing office and read and be familiar with the contents. The alternative could well be bankruptcy. If the defaulters don't get you, the draconian fines will. ■



Kevin Hinrichson, FRCS, FRACS, runs Australasian Medical Leasing based in East Melbourne.

IPA

INDICATORS

Proportion of the richest people whose wealth is mainly inherited.

In Australia: 27.5%
Britain: 40.0
USA: 46



Proportion of the richest people who are migrants:

Australia: 36.0% USA: 4.7%

Of the world's 271 billionaires, number who are Australian: 1. American: 99. Japanese: 40. West German: 38. British: 7.

Proportion of wealthiest whose primary business is industrial.
Australia: 12% Britain: 26%

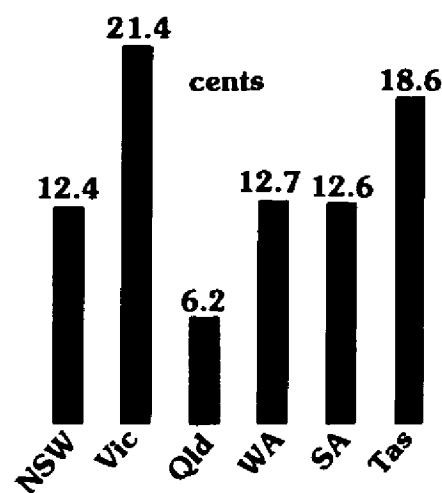
Access Economics, *Economics Monitor*, Feb. 1991 (based on BRW Rich 200 list, Sunday Times Rich 400 list, Forbes Rich 400 list).

Proportion of the Australian population who nominated their religion as Catholic in 1933: 20%. In 1986: 26%.

Proportion who called themselves Anglican in 1921: 44%. In 1986: 24%.

ABS Cat. No. 2510.0.

Estimated interest paid on debt by State Governments for every dollar of revenue 1990/91.



ABS Cat. No. 5501.0, 28 March 1991.

Proportion of workplaces which have no employees in a union: 57%.



Workplaces in the private sector which are not unionized: 66%.



In the public sector: 1%.

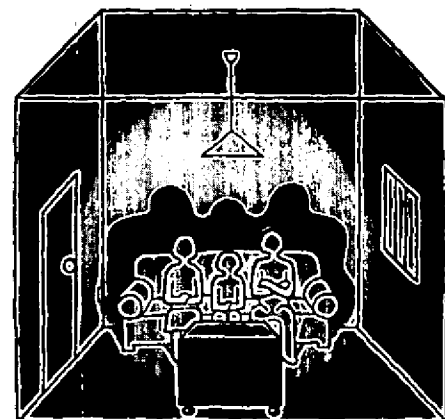


Proportion of all workplaces which have never had industrial action: 72%.



Department of Industrial Relations, *The Australian Workplace: Industrial Relations Study*.

Video tapes rented by Australians in 1988: 170 million.
Attendances at motion picture theatres: 37.4 million.



Cultural Ministers Council Statistical Advisory Group, *The Australian Cultural Industry*, 1991.

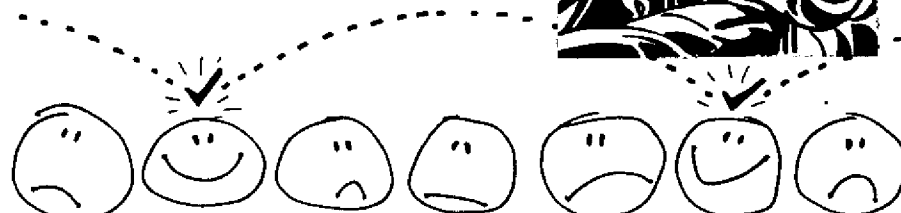
Proportion of the land area of the earth occupied by human settlements:
3.6%

IEA, *Economic Affairs*, Feb 1991.

Tonnes of black coal produced in Australia in 1989/90: 136,645,323.
Tonnes of uranium: 4,098.

Australian Mining Industry Council, Minerals Industry Survey 1990.

Patients awaiting kidney transplants in Australia: approximately 2,000. Number of transplants performed each year: approximately 500.



Australian Institute of Criminology, *Trends and Issues in Crimes and Criminal Justice*, No. 30, March 1991.

Number of forms and documents necessary to get one container through a Melbourne wharf: 103 to 107.

Cost of repainting the Australian Navy supply ship HMAS Success in Singapore: \$500,000. Estimated time: 3 weeks. Cost in Australia: \$3.5 million. Estimated time: 6 weeks.



The Hon. David White, Victorian Minister for Manufacturing and Industry Development. *The Australian*, 31 January 1991.

Number of conferences on scientific fraud sponsored by US National Institutes of Health between February and April 1991: 5.

Science, 1 February 1991.

Animal rights activists who say they are also actively involved with:

The environmental movement
98.4%

Civil Rights
88.8%

Opposition to apartheid
86.3%

The feminist movement
83.3%

Opposition to war
83.0%

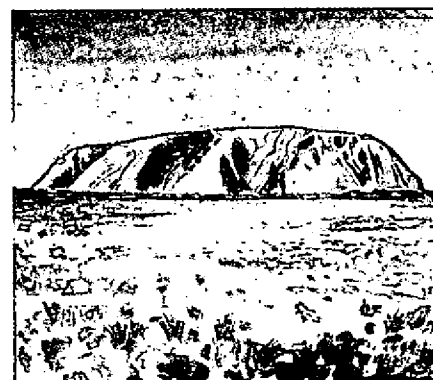
Promotion of gay rights
58.2%



Historical sites on the register of the National Estate 1988: 6,743.

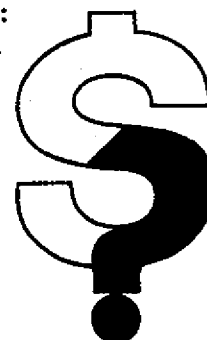


Aboriginal sites on the registers of the Australian Heritage Commission and the State Aboriginal Sites Authorities: 36,900.



Cultural Ministers Council Statistical Advisory Group, *The Australian Cultural Industry*, 1991.

Net total of official aid received by developing countries in 1989: \$US47.2 billion. World's top recipient: China (\$US2.2 billion, equivalent to 0.5 per cent of its GNP). Aid received by Mozambique: \$US800 million (equivalent to 64.4 per cent of its GNP).



The Economist, 13-19 April 1991.

Greenhouse Misinformation?

"More than ever before, education is seen as an important part of the environment policy process. A number of the successful grant projects are taking education one step further and fostering co-operation between individuals and organizations. Co-operation can convert awareness into action. Increasing awareness of the greenhouse effect is a step towards achieving an ecologically sustainable common future." So said Ros Kelly, Minister for the Environment, when announcing the successful applicants to the Greenhouse Information Programs Grants Scheme in March. But is the Government funding greenhouse misinformation? A source as neutral and reputable as the *Encyclopaedia Britannica Yearbook of Science and the Future*, 1991, states that global warming is a highly contentious theory in scientific circles.

The Doubts

"The popular media have not informed the public that the climate models that project warming are criticized within the scientific community. Nor has the public been informed that when the models are made more complex and realistic, including feedback effects by clouds, as by Erich Roeckner in Hamburg, West Germany, the models project cooling rather than warming in the future..."

Politicians and the popular media are incorrect concerning the assertion that only about 10 scientists have raised questions about the warming theory. In fact, more than 3,000 scientists have published books or articles that raise questions about the design or interpretation of the warming models or about the facts concerning or interpretation of the climate record...

The warming theory was not being criticized simply for deficiencies in the climate models or for the interpretations of historical temperature records. Rather, it was under attack on a wide variety of grounds. Experts on the interpretation of satellite-derived sea-surface temperature data, such as R.W. Reynolds, C.K. Folland, and D.E. Packer, did not see evidence of a warming trend in those data. The theory predicts that sea levels should be rising; the notion that there is any such rise was being criticized by shore and beach experts. The theory also predicts a decline in levels of lakes in high latitudes; instead, they have risen for most of the last several decades. Experts on glaciers dispute the notion that glaciers are diminishing in size; they are, on average, increasing. Experts on tree growth dispute the notion that growth is increasing because of global warming. The warming theory predicts that tropical trees should be migrating poleward. As the experience of the northern Florida citrus and vegetable industry shows, they are instead migrating toward the Equator.

Finally, the popular media have continued to maintain that there is something alarming about an increase of carbon dioxide in the atmosphere and an increase in planetary temperature. As S.B. Idso demonstrated at great length in his book, on closer inspection such increases appear benign and even beneficial. Carbon dioxide is such an important plant nutrient that in Japan it is pumped into greenhouses to speed plant growth."

Professor Kenneth E.F. Watt, Encyclopaedia Britannica Yearbook of Science and the Future, 1991.

A Selection of the Grants

Streetwise Comics to develop a seven page story on greenhouse for an issue of Streetwise Comics, a national magazine for disadvantaged young people (\$25,000).

Geography Teachers' Association to develop a teacher resource kit on greenhouse for high schools (\$20,000).

Australian Consumers' Association to develop a national campaign to promote public transport use (\$16,000).

Australian Railways' Union to produce billboard and display posters on the contribution rail can make to the reduction of greenhouse gas emissions (\$12,000).

Centre for Education and Research into Environmental Strategies (CERES) to develop and implement an interactive educational program for student groups and community organizations on global warming (\$12,000).

Flemington Neighbourhood House Inc. to hold workshops on environmental issues for disadvantaged adults (\$5,000).

Southern Sydney Regional Organization of Councils to develop regional and local greenhouse policies (\$25,000).

Northern Tablelands Regional Aboriginal Land Council to establish a public awareness program for the Aboriginal community on greenhouse (\$14,000).

Queensland University of Technology to identify, analyze and disseminate information on current local government "good practice" in developing and implementing greenhouse limitation and adaptation policies (\$12,000).

The South Australian Development Education centre to develop a greenhouse inservicing program (\$20,000).

ILKARI — Flinders University Conservation Group to establish a car-pooling system and educate the public in the importance of reducing the use of motor vehicles as a step towards minimizing the emission of greenhouse gases (\$20,000).

Greenhouse Association of South Australia to hold "Greenhouse 91 Adelaide" (\$10,000).

Town of Kwinana to create a series of postcards to promote and educate people in greenhouse issues (\$10,000).

Education Centre — Perth Zoo to hold "Follow the Greenhouse Trail": an activity day for children (\$7,000).

Lady Gowrie Child Centre (WA) Inc. to produce environment curriculum materials for 1-7 year-olds (\$7,000).

Queen Victoria Museum & Art Gallery to develop an interactive display on greenhouse-induced climate change (\$9,000).

Environment Centre of the NT to employ a "Community Greenhouse Information Officer" (\$20,000).

Freedom of Contract

NZ's Answer to Industrial Constriction

Just prior to Christmas 1990, the new National Government in New Zealand introduced into the Parliament an Employment Contracts Bill which signalled a fundamental change in the law's treatment of employment relationships. After much discussion, some weeks of industrial disruption and protest and numerous amendments of detail, the Bill passed into law on 15 May 1991. It has been promoted by the Government as fundamental to productivity gains and employment growth through greatly enhancing the flexibility of the labour market. The Act, however, is not without flaws.

ROGER KERR

OVER the last six years, substantial structural reforms have been implemented in a number of sectors of the New Zealand economy. These have yielded appreciable gains in productivity — labour productivity grew at an annual rate of about five per cent in the manufacturing sector between the end of 1987 and the beginning of 1990, and by three per cent for the whole economy. Productivity gains in state-owned enterprises and on the waterfront have been spectacular. There has been a marked change in the pattern of investment away from protected activities to unprotected ones. Competitiveness has improved as rising labour productivity and falling real wages have reduced relative labour costs. Large reductions have occurred in inflation, inflation expectations, nominal interest rates and money wage expectations.

At the same time, however, there has been a steep rise in unemployment. This is continuing and may top 10 per cent of the work-force in the coming year. As a number of commentators — including OECD — have recognized, an effective response to the unemployment problem requires difficult decisions in the area of labour relations legislation, minimum wage laws, and the levels of and eligibility criteria for social welfare support.

Prior to the change of government in 1990, policy initiatives fell well short of what was needed in these areas. The general economic policies that have been pursued in recent years have, however, served to change the climate of employment relations in New Zealand. A monetary policy aimed firmly at disinflation and policies such as trade liberalization, deregulation of domestic industries, public sector reforms and privatization have given firms strong incentives to contain costs, raise productivity and develop closer relations with their

employees. This process has been enhanced by a second factor, the commendable refusal by Ministers of Labour to become embroiled in industrial disputes. However, despite these two important changes, developments in labour law, most significantly the Labour Relations Act of 1987, have been relatively modest. Useful steps forward such as the elimination of compulsory arbitration were accompanied by backward steps such as the reintroduction of compulsory unionism and the establishment of a minimum union size of 1,000 members.

What the new Employment Contracts Act does, in contrast to earlier gradualist reforms, is replace a system of labour law strongly protective of union privileges, and founded on the belief that employment relationships are fundamentally adversarial and exploitative, with a law premised on the essentially co-operative nature of the employment relationship. As its name suggests, the Act recognizes that the best way of promoting high employment and high incomes — the best way of protecting workers — is to base labour law on the principle of freedom of contract.

Some of the most significant provisions of the Act are as follows:

- compulsory unionism is abolished and replaced with freedom of association;
- unions will become incorporated societies, with no special rights and no minimum size;
- unions lose the exclusive right to negotiate on behalf of workers — workers may negotiate for themselves, or use the services of any bargaining agent (including unions, if so desired by the workers);

- awards and agreements disappear and are replaced with employment contracts;
- parties are free to negotiate the type of contract they want in the way they choose;
- so-called "subsequent party" provisions (which gave awards coverage even of parties who had no role in their negotiation) disappear, and employment contracts will only apply to those who contract to be bound by them;
- all individual and collective contracts are to contain personal grievance and dispute procedures;
- all employment contracts are to come under the jurisdiction of a new Employment Tribunal and Employment Court;
- no specific provisions are made for redundancy, and outside institutions will have no power to determine redundancy compensation where the parties cannot agree;
- strikes and lock-outs are unlawful during the term of a collective contract and over issues relating to freedom of association, personal grievances and disputes over the interpretation, application or operation of employment contracts.

The effect is to place the form of negotiation and the contents of contracts in the hands of the employers and employees who will have to live with them.

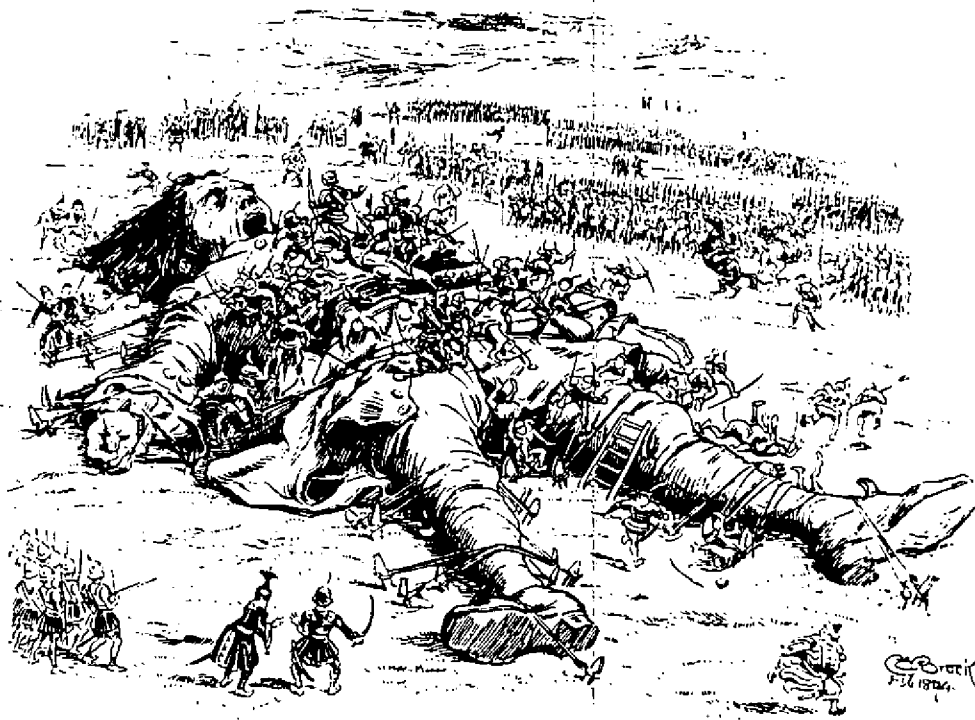
Weaknesses in the Legislation

Where the legislation still falls short is in its unwillingness to entertain a full range of contracting freedoms and the retention of some of the baggage of the former system. It is disappointing that the government has opted to continue with specialist labour market institutions instead of bringing employment contracts within the civil court jurisdiction. Moreover, while it has largely removed one form of intervention, namely regulation of bargaining and unionization, it has, if anything, reinforced a second form, the direct stipulation of the minimum conditions of employment contracts. This has been done in the name of 'protecting' workers in the exercise of their new-found bargaining freedoms.

Of particular significance

is the requirement under the Act for all contracts to include provisions for personal grievances. This extends a new form of regulation to the large section of the labour market (possibly as high as 60 per cent of the work-force) that has been outside the ambit of collective bargaining under the Labour Relations Act and preceding legislation. In New Zealand, a considerable industry has grown up around personal grievance cases, arguably benefiting neither the economy nor the work-force at large. As other countries have found, provisions which strengthen job security for some workers inevitably reduce job security for other, typically less advantaged workers. Although in some cases parties to employment contracts may freely choose to include rules for handling grievances and dismissals in their contracts, there will be many situations in which the best protection for an employer and an employee will be the freedom 'at will' to break off a relationship that is not working and look elsewhere for contractual partners. By and large, the resources of the courts are better employed in determining whether contracts have been breached than in arbitrating on vague notions of fairness in redundancy and dismissal cases.

These concerns are heightened by the Act's retention of specific institutions, in the form of the Employment Tribunal (an adjudication/mediation body) and the Employment Court (which replaces the former Labour Court). These pose the risk of maintaining a legal culture which treats employment contracts as different from other contractual relationships. The risk will be increased by the provision to transfer existing personnel across to the new bodies. Some of the recent decisions of the Labour Court have shown an astonishing lack of appreciation of commercial and economic realities, particularly in the areas of dismissals and redundancy. Although the Government has clearly sought to clip the wings of the



The giant stirs: New Zealand is breaking the constraints of centralism

Court, there remains a danger that former case law will be regarded as having precedent and that new forms of judicial regulation will replace the statutory regulation that the Government has been at pains to remove.

The Government will also need to address other issues in labour market reform if it wishes to achieve its growth and employment objectives. For example, the trans-Tasman maritime Accord remains in place even though it has been repudiated by governments (and opposition parties) on both sides of the Tasman. The jurisdiction of the Commerce Act (the equivalent of the Trade Practices Act) needs to be applied in full to the labour market. There is also an urgent need to address the effects on employment of the Minimum Wage

The Act recognizes that the best way of promoting high employment and high incomes — the best way of protecting workers — is to base labour law on the principle of freedom of contract.

Act. The current statutory minimum wage in New Zealand is set at around half of average earnings. The Government's aim of halving unemployment over the next two-and-a-half years implies a need to create perhaps some 100,000 new jobs. It is implausible that such a rate of job creation can be attained without ensuring that low-skilled people can be absorbed into the work-force at pay rates that reflect their initial productivity.

The Employment Contracts Bill was introduced as part of an economic package which also included reforms to social welfare benefits. Reducing the burden of the welfare state on taxpayers and businesses is intended to free resources for private sector investment and employment. Lower benefit levels are intended to reduce work disincentives and complement the wider range of employment possibilities created by the new legislation. Market reactions have been favourable, with a welcome slide in interest rates over the last few months. The appearance of the Bill also gave new impetus to bargaining reform. Recent negotiations in a range of industries, including retailing, hotels and service stations, have seen the elimination or modification of penal rates, the introduction of youth rates, provisions for training and more freedom to use casual staff. These concessions would have been considered sacrilege by the union movement even 12 months ago.

Mixed Reactions

There has been overwhelming support for the new legislation among employers. On the union side, the initial reaction was muted, if not stunned. In submissions to the Select Committee considering the Bill, some unions accepted the inevitability

of change and concentrated on matters of detail; others resorted to (conflicting) predictions of 'wage slavery' and wage blow-outs, and threats of industrial anarchy. Similar views predominated in the media. The Labour Opposition initially declined to make a commitment to repeal the new legislation but, under pressure, it has now done so. With the legislation now in place, however, attention is quickly shifting to ways in which employers and their work-forces can devise better working arrangements. As with other major economic reforms in recent years, it is likely that we shall be wondering, in retrospect, what all the fuss was about.

The legislation does not mark the end of necessary labour market reform in New Zealand. However, advocates of similar reforms in Australia can perhaps take some heart from the lesson that sound intellectual arguments and evidence can win hearts and minds in the long run, not least among workers. It is hard, for example, to sustain arguments about exploitation and anarchy when even partial deregulation on the waterfront has led to fewer disruptions than before, higher not lower wages, massive increases in productivity, and lower costs.

Further, the Employment Contracts Act owes a lot to a willingness by advocates of reform to argue from first principles and reject tactically expedient compromises. It is particularly noteworthy that the argument for labour market reform in New Zealand has not been advanced under the banner of 'enterprise bargaining' that has been fairly widely adopted in Australia. Although in a freer environment the traffic will certainly flow from broad occupational and industry awards to more decentralized arrangements, there is no economic principle which states that the right locus of bargaining is the enterprise. The only economic principle that stands up to scrutiny is the principle of freedom of contract.

It is also noteworthy that the business community in New Zealand has given its full backing to labour market reform. Having worked through the issues at a fundamental level five years ago, there has never been any debate within the Business Roundtable about the need for comprehensive reform or the shape it should take. Other employer groups in New Zealand have moved to similar positions. In the short term, some businesses gain from controls and accords, and some fear the consequences of change. But all lose in the long run from the inefficiency of centrally planned labour markets.

New Zealand still has a long way to go to get its economy in working order, but the implementation of the Employment Contracts Act removed a giant obstacle to progress. The Bureau of Industry Economics in Australia recently estimated that across the whole economy labour reforms of the type contained in New Zealand's new legislation would produce gains each year approaching one percentage point of GDP. In New Zealand, such gains would equal around \$700 million a year — the equivalent of adding a fishing or kiwi fruit industry to the economy. Over time they would compound. The framework for employment contracting that has been put in place can still be improved on, but it is a major breakthrough. ■

Enterprise Bargaining in Practice

Enterprise bargaining sounds good in theory, but can it work in practice? Australia's oil refineries are proving that it can.

STUART WOOD

IN the mid-1980s, the Hawke Government undertook a 'review' of industrial relations in Australia. The product of this study, the Hancock Report, essentially advocated the maintenance of the compulsory arbitration system. It was roundly criticized by the deregulationists, especially the H.R. Nichols Society.¹ These criticisms gathered strength and in the late '80s, the Business Council of Australia (BCA) provided a thoroughly researched alternative² to the Hancock Report, persuasively arguing for a devolution of employer-employee relations to the shop floor. The battle was joined.

Just two years later it seems that the battle is close to being won. In its submissions to the latest National Wage Case,³ the government, the unions and most employer groups agreed that a shift to enterprise bargaining is essential. This change has been described by the Confederation of Australian Industry (CAI) as the biggest since the introduction of the tribunal system in 1904.⁴ Thus, on its face, there has been a remarkable convergence of opinion.

However, as the now famous SPC affair and the Industrial Relations Commission's recent rejection of enterprise bargaining (unless it takes place under the supervision of the IRC itself) have demonstrated, this convergence, while real, is not complete.

The BCA Report

The BCA Report articulated three main points.⁵ First, that prosperity was derived from competitive success of enterprises in global markets. Second, that a change in attitude from an 'industrial relations mind-set' to one of 'employee relations' was necessary. To this end, constant adjustment of work methods, a higher degree of common purpose and caring, and enterprise specific remuneration were vital.

Third, the report advocated improved management

approaches and a closer alignment of union structures⁶ with enterprises. With the implementation of the appropriate changes, productivity improvements of 25 per cent were thought possible, this forecast received wide publicity.

The Oil Industry

In recent months, companies such as ICI⁷ and SPC have come to prominence with enterprise deals. Critics of these arrangements have noted that they were fashioned under threat of company closure. Although potential insolvency does focus the minds of all concerned on shared interests, fortunately there are some Australian employers and employees who are embracing the enterprise-bargaining process without waiting for any threat of closure.

In this respect, the changes going on throughout the oil industry are worth examining. These agreements are not being forced by the spectre of redundancy, but rather by a recognition that the traditional methods of work are not the most appropriate for creating competitive and productive enterprises.

The oil refineries are capital intensive and, contrary to the common impression of uniformity, are intensely competitive both within Australia and internationally. Traditionally, these work places have been characterized by a number of national awards,⁸ based on job type, to which *all* the oil companies were jointly respondent. Each refinery is covered by several unions. For example, at Ampol's Lytton refinery, five unions are represented. At Shell Geelong, 600 workers are covered by six principal awards and nine unions. This award structure has fragmented the bargaining process. Work practices developed at low technology workplaces were transferred to highly capitalized sites; workers at the least efficient companies were paid as much as those at the most profitable

and disputes generated in other industries dragged the oil industry in.

This situation is now changing, with the ACTU and the Oil Industry employers entering into a deal to establish single awards for each refinery, and with the unions combining to form 'single bargaining units'. However, as currently proposed by the parties, the awards will not regulate all aspects of work. It is proposed that some standard conditions are covered by an Industry Common Core Conditions Award.

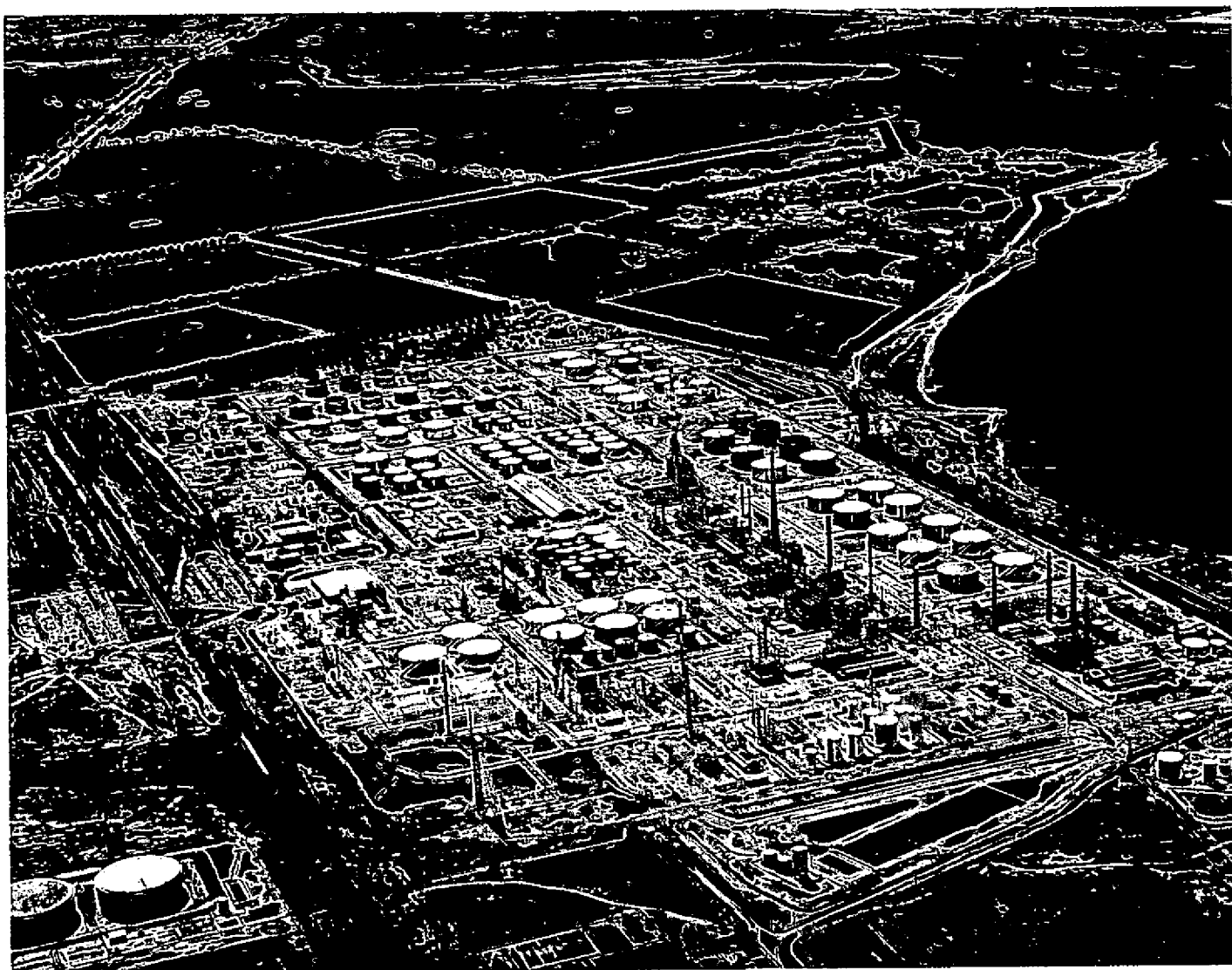
From Industrial Relations to Employee Relations

The Shell Geelong refinery has embarked upon an ambitious consultative project called 'The Way Ahead'. Teams were set up to examine the nature of specific jobs, departmental boundaries, reporting relationships and the structure of pay and record systems. This has involved the members of each work group thinking about the purpose of their work and asking whether the present method of doing these jobs is the

most appropriate. Invariably the answer has been "No". Thus new job specifications have been drawn up to reflect the employees' own views on how the tasks should be done. At the Mobil Altona plant a similar process of job re-design has brought an end to some artificial demarcations, particularly on the process side of the plant.

This process of changing work practices and structures at each individual shop floor contrasts strongly with the ACTU's efforts at improving methods of work by award-restructuring. Much significance has been attached by sections of the media to the recent changes made to the Metal Industry Award resulting in a simplified 14-level classification structure. All parties respondent to the Metals Award will transfer *all* employees to the new structure.¹⁰

The problem with this attempt at reforming work practices is obvious. There is no attempt to move to employee relations. This 'reform' is a product of the industrial relations mind-set: big union and employer groups determining the appropriate work structure for the multitude of different enterprises they purport to represent. It involves none of the hard work required to rebuild work patterns from the ground



Shell's Geelong refinery: a capital-intensive industry in which jobs are being re-designed with the participation of employees

up. Over 3,000 man days have been spent by Shell as part of 'The Way Ahead' program. The award-restructuring process does little to engender a sense of common purpose between managers and workers: all simply have a reclassification foisted upon them. On the other hand, the process of shop floor change, as Peter Chew points out, has "improved employee commitment, motivation and a willingness to accept change."¹¹

Enterprise-Specific Remuneration

Importantly, the Industry Common Core Conditions Award is silent about wages. Each refinery is therefore able to develop enterprise-specific remuneration. There is a touch of irony in the fact that the oil industry is leading the way in this respect, because it was in the Oil Industry Case¹² that the Industrial Relations Commission approved the principle that productivity benefits in all industries should be established nationally and that increases could not be linked to the profitability of individual employers or industries.¹³

To give an example, BP operates two refineries, one on Bulwer Island in Queensland and another at Kwinana near Fremantle in Western Australia. Both refineries are independently engaged in developing enterprise awards. The Kwinana refinery has been successful in combining the previously separate instrument-tradesman and electrical-tradesman job descriptions into a dual-tradesperson classification. This has eliminated the need for four tradesmen to be employed as emergencies on the weekends. Now only two are necessary. Also, double-handling problems, caused by meaningless demarcations, have been diminished. The workers have benefited as well, in skill enhancement, greater job variety and satisfaction (they don't have to stand around watching someone else doing what they are capable of doing themselves) and a 10 per cent pay rise. Importantly, this productivity induced wage increase will not flow on to other parts of the industry (nor even to the other BP refinery at Bulwer Island) without corresponding changes to work practices. This development should not be dismissed as insignificant. Previously, a large wage rise to these workers in Western Australia would have been bound to induce a spate of country-wide catch-up claims by workers throughout the industry.

One drawback of this procedure is the Industrial Relations Commission's insistence that the alleged productivity gains must be proved before a deal is authorized. The Commission relies on the so-called National Integrated Wage Structure (NIWS) 'principles' in order to carve out a niche for itself in overseeing these deals. Given the flexibility with which the NIWS 'principles' have been applied in the past, it is unclear if they will be a huge impediment to the signing of enterprise-based deals. Some employers suggest that the Commission is providing a useful transitional mechanism. Even with the Commission adopting this paternal role, enterprise specific remuneration represents a very real shift in the wage fixing environment — from a preoccupation with wage equivalence to a recognition that enterprise productivity should determine the wages outcome.

Reform of Union Structures

The BCA Report pointed out the need for the closer alignment of union structures with enterprises; the need to make one union per workplace a national goal.¹⁴ Obviously, the number one option is enterprise-based unions, with company or industry-based unions vastly preferred to the present structure. The ACTU inspired amalgamations may be useful in reducing demarcation disputes. However the amalgamations are proceeding extremely slowly. In the four years since

**Enterprise specific remuneration
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1986, the number of federally registered unions has only fallen from 326 to 295.¹⁵ Moreover, the creation of industry-wide super unions is likely to exacerbate the probability of flow-ons of wage increases regardless of differences in productivity among workplaces.¹⁶

For the refineries, it is still necessary to enter negotiations with several unions in order to achieve workplace reform. Thus the concept of 'single bargaining units' has been introduced. That is, all the unions at the work place are supposed to join together and bargain as a unit. This has not occurred to a large extent in the refineries surveyed. Negotiations have proceeded with separate unions at different rates. The right-wing industry-based Federated Ironworkers' Association (FIA) is embracing the concept of enterprise-based deals with relish,¹⁷ while the left-wing craft-based Metal and Engineering Workers' Union (MEWU)¹⁸ is largely condemning it. It is little wonder that 'single bargaining units' have not developed.

Productivity, competition and investment

Though it is too early to rigorously quantify the magnitude of the productivity increases, some improvements can be seen. The conversion to the dual-tradesperson classification at BP Kwinana has generated a productivity increase of over 10 per cent, while a recently completed agreement regarding clerical workers at Shell Geelong will result in a substantial productivity improvement.¹⁹ Remembering that these increases are cumulative, the BCA's target of 25 per cent productivity growth seems to be not only attainable, but conservative.²⁰

Shell Geelong has evidenced an intention to raise itself from the level of an efficient 'world-class' operation to that of a 'pace-setter' refinery. To this end over \$800 million is being

invested in improvements to old, and the purchase of new, technology. Similarly, Mobil is undertaking a \$6 million feasibility study to investigate a \$1 billion modernization plan for its Altona refinery,²¹ to take advantage of growing export opportunities. While many factors no doubt contributed to the decision to make this investment, it would be naive to suggest that the investment would have gone ahead without the improvement in labour force flexibility discussed above.

Conclusion

The implementation of enterprise-based bargaining in refineries is still in its infancy. The achievement of some goals is progressing rapidly, while others have encountered obstacles.

The devolution of employer-employee relations to the shop floor has been one of two key changes. Work practices are being rejigged, demarcations reduced and a sense of common purpose developed. These changes have been initiated at the shop floor level, with a team-based approach to work resulting.

Yet, there remains much more to be done. The proposed Industry-Common Core Conditions Award contains many nationally negotiated provisions that could more appropriately be determined at enterprise level. Hours of work, overtime allowances and shift penalties would appear to be enterprise-specific in their nature. There seems to be no good reason for determining these conditions nationally. The long-term goal should be to reduce the scope of the common core conditions, until all conditions are determined at each enterprise.

The development of enterprise specific remuneration, even though it is subject to Industrial Relations Commission approval, is the second key change at the oil refineries. A goal over the longer term should be to downgrade the role of the Commission, as workers and managers fashion their own enterprise-based deals.

The progress on reform of union structures has not been as exciting. The ACTU's plan for amalgamations is not proceeding quickly, and there remains great division within the union movement itself about the concept of enterprise bargaining. The long-term goal should remain one union per workplace, with membership non-compulsory and workers at each individual enterprise given the opportunity, by secret ballot if necessary, to determine coverage at their work place.

The abandonment of the industrial relations mind-set in favour of employee relations is a positive step. The adoption

of enterprise specific remuneration and the development of a common purpose are also important in moving down the track to a situation "some years from now in which greater competitive forces, better management, better union structures and greater common purpose would see us mature enough to envisage the best enterprises in Australia able to enter into enterprise agreements in which the Industrial Relations Commission involvement is minimal."²² The oil refineries are on the way to making this vision a reality, where SPC-type deals are the norm not the exception. ■

Footnotes

1. Gutman, *Arbitration in Contempt*, Proceedings of the H.R. Nichols Society, 1986.
2. *Enterprise-Based Bargaining Units, a better way of working*. Report to the Business Council of Australia by the Industrial Relations Study Commission, Vol. 1.
3. The MTIA was an exception.
4. *Workforce*, Issue No. 816, 11 February 1991, p.1.
5. *Enterprise-based Bargaining Units*, p.2
6. See Peter McLaughlin's article 'Labour Market Reform without a Wages Explosion', *IPA Review*, October-December 1989, for a more detailed discussion of this point.
7. In particular the Botany plant. See *The Age*, 3 April 1991.
8. The Engineering (Oil Companies) Award and the Laboratory Employees (Oil Companies) Award are examples.
9. Chew, P., 'Strategy for Change: An Employee Relations Perspective', speech to the Victorian Employers' Federation, 4 September 1990, p.9.
10. *Workforce*, Issue No. 818, p. 4.
11. Chew, P., *op. cit.*, p. 10. Until his recent retirement Peter Chew was Executive Director, Downstream Oil and Chemicals, Shell Australia.
12. 134 CAR 159.
13. *Workforce*, Issue No. 813, p.1.
14. *IPA Review*, October-December 1989, p.29
15. *Labour Law Reporter* 187, 27 February 1991.
16. On the amalgamations, see Joe Thompson, 'Union Amalgamations: The ACTU's Grab for Power', *IPA Review*, Autumn 1990 and Joe Thompson, 'Amalgamations: the ACTU Power Grab Continues', *IPA Review*, Spring 1990.
17. *The Weekend Australian*, 13-14 April 1991.
18. Formerly the AMWU.
19. SPC has reported productivity increases of 30 per cent in under one year. *Australian Financial Review*, 4 April 1991.
20. See also Hilmer, G.H., and McLaughlin, P., *The BCA Report: A Response to Frenkel and Peetz (I)*, 1990 JIR, Vol. 32, No. 3, p. 409.
21. *Australian Financial Review*, 3 April 1991.
22. Hilmer, G.H., and McLaughlin, P., *op. cit.*, p. 405.

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A UNIONIST'S VIEW



LAURIE SHORT

Will unionism survive?

AUSTRALIAN unions could be irrelevant in the not-too-distant future.

They reached their peak of numerical strength in 1953, when 63 out of every 100 workers were members of unions. Today, fewer than 40 per cent are unionized – and that percentage is dropping. Over the last five years it fell by one per cent a year. Even in the darkest days of the 1930s Depression, the proportion of unionists to the work-force never sank below 42 per cent and it picked up rapidly as the Depression lifted. It is freely predicted in union circles that only about 25 per cent of workers will be unionists by the end of the century. Some forecasts even speak of a percentage of about 10, early in the next decade.

Why is what was once the world's strongest union movement facing such a bleak future and what can it do to survive?

The decline of Australian unions partly reflects an international trend. Unions in Britain, the United States of America and other developed nations are shrinking, also. In Britain, the proportion of the work-force who are unionists is about 35 per cent and in America about 15 per cent.

Unions do not have the appeal that they had in the early days of industrial capitalism because the abuses and injustices of that era have been largely overcome. The success of unions in

helping to civilize capitalism is now working against them. More and more workers see unions either as an anachronism or an impediment to a stronger economy and greater freedom.

Opinion polls show a growing disenchantment with unions, particularly those which are associated with strikes, demonstrations, picket lines and extravagant demands on industry. It is not surprising that unions are least popular in Victoria where many are in the grip of left-wing extremists.

Legacy of the Left

Overall in Australian unionism, the influence of the extreme left has declined in recent years. But their legacy still colours union activities and attitudes. A good example of this was the reaction of the union movement to the recent Gulf crisis. No union, with the exception of the Federated Ironworkers' Association (FIA), and one or two individual union leaders such as Michael Easson, NSW Labor Council Secretary, declared support for the Hawke Government, the United Nations and the allied powers in the Gulf conflict.

Most unions including the ACTU were silent. Those that did speak out, with the exception of the FIA, were left-wing unions. They adopted the Soviet line which demanded that the allied powers take a less severe attitude to Saddam Hussein. While they didn't

come out in open support of Hussein, their policies in calling for peace now, or negotiations, or relying upon sanctions, would have had the result of making it easier for Iraq to continue occupying Kuwait.

Many Australian union leaders believe that fewer and bigger unions can assist in arresting the decline in union membership. This is a delusion. It is not the size of a union which is vital, it is policy and activity. Small enterprise-based unions in Japan are successful and so are big industry-based unions in Germany. These unions are effective because they work to make their countries united, prosperous and democratic. Unless Australian unions adopt similar attitudes, they will continue to decline.

Finally, in enumerating reasons for unionism's decline, the Accord should be mentioned. The Accord, though there can be argument about its beneficial effects, has outlived its usefulness. It is harming unionism and harming the development of Australia. The push now occurring for enterprise agreements and for more involvement of the rank and file at the enterprise level is good for the country and good for unions.

The unions that will survive into the 21st century will be those that reject the doctrine of the class struggle. These will be unions that co-operate with employers, democratically elected governments and the general public. ■

Laurie Short, 50 years a unionist, was the National Secretary of the Federated Ironworkers' Association from 1951 to 1982.

Revitalizing Parliament in Victoria

The Presiding Officers of the Victorian Parliament, the Speaker of the Legislative Assembly, Dr Coghill (ALP), and the President of the Legislative Council, Mr Hunt (Liberal), have launched a bipartisan effort to revitalize Parliament in Victoria. In what may prove to be a model for other Australian parliaments, management consultants Kevin Foley and Bill Russell have completed a "Strategic Management Review of the Parliament of Victoria" — the first review of its kind commissioned by the presiding parliamentary officers.

ANTON HERMANN

IN many ways, the story of the Victorian Parliament is the story of the horse that has already bolted. Parliament's failures have been reflected in the devastation of the Victorian economy and it is no coincidence that the Strategic Management Review has been produced at this time.

Ironically, one of the Review's major recommendations is to boost funding for Parliament at a time when public finances have been bled dry. The Review is, nevertheless, a useful contribution to public debate, not only for Victoria but perhaps as a preventative model for other Australian Parliaments.

At its bare essentials the Review points to an imbalance between Parliament and the Executive and recommends how Parliament might function more effectively by being better understood, better structured and better funded.

The Review adopts the perfectly sensible position that "the first point in a strategy to revitalize Parliament should be a program to raise understanding of the constitution, of the Parliamentary system, and of the place of the Victorian Parliament within that system."¹

No doubt, the Review's authors would have been persuaded to this view by the alarming — if not scandalous — survey finding that only 54 per cent of Australians know that the Federal Constitution exists.² There is nothing to suggest that community awareness of State Constitutions is any different.

The Review's proposals for improved community awareness of the State Constitution are, at best, sketchy. A series of 'seminars', 'publications' and 'discussions' sounds ominously like another round of talkfests and conference transcripts consigned to dusty library shelves.

One policy option not floated in the Review merits consideration. A referendum to seek the endorsement of the voting public for its State Constitution (in any or all States) would be a sure method of raising awareness of the existence and contents of the paramount political document in each jurisdiction. Unlike the Federal Constitution, which has been adopted by the people of Australia and can only be amended with their consent, the State Constitutions are enactments of State Parliaments. In Victoria all sections of the Constitution, including key electoral provisions, can be amended without recourse to the people.³

One would expect that a campaign to transform the State Constitution from an enactment of the Parliament to a direct instrument of the people would prompt voters to examine the provisions of the Constitution in a way that no seminar, discussion or publication could hope to achieve. The one and



Anton Hermann is a Melbourne solicitor with Minter Ellison, but the views expressed here are entirely his own.

only amendment which should accompany the existing Constitution is a requirement that all future amendments must be approved by the people at referendum. This would bring the States into line with the far preferable Federal model.

The strengths of the Review reflect the strengths of its authors. Dr Kevin Foley is a former Member of the Legislative Council and Dr Bill Russell is Director of the Public Sector Management Institute at Monash University. The proposal to revamp the organizational structure of the Victorian Parliament is soundly argued. The main recommendations in this area are:

- to elevate the presiding officers to positions of independence⁴ and ultimate management authority;
- to incorporate the offices of parliamentary agents such as the Ombudsman and the Auditor-General within the Parliamentary structure;
- to create a system of standing committees in the Legislative Council based on the Senate model; and
- to transfer financial control of Parliament from the Executive to Parliament itself.

The Review is open to criticism for the woolliness of some recommendations and two uncharacteristic oversights. Specifically:

- As pointed out by Melbourne *Age* columnist Peter Cole-Adams, the Review fails to identify tight party discipline as the primary cause of Executive dominance of Parliament.⁵
- The Review recommends that a timetable for parliamentary debates be advertised and adhered to in an attempt, *inter alia*, to attract business representatives and other interested parties to the public gallery.⁶ Again, this assumes that policy debates are won or lost on the floor of Parliament when, in reality, they are decided in one of many back rooms – in particular the Cabinet room. In any case, the prospect of business people flocking to the public gallery in preference to attending to the more pressing demands of their businesses seems far-fetched.
- The Review creates the false impression that no major political party in Victoria has a policy or platform statement concerning the role of parliament.⁷ The Liberal Party State Platform lays down eight basic prerequisites for effective parliamentary government including measures which mirror the Review's key recommendations: the maintenance and support of a bicameral Parliament as the supreme law-making body, a Ministry which is fully responsible and accountable to Parliament and the provision of adequate facilities and support services for members of Parliament. The Review's oversight of this platform item is a glaring research error.
- The Review makes numerous references to the Executive's unparalleled dominance of Parliament in

Queensland and, while sounding warnings for Victoria, fails to recognize Queensland's unicameral parliamentary system as a primary cause of the problem and an impediment to reform. There can be no serious argument that upper houses protect parliaments from Executive dominance. The merits of an Opposition-controlled upper house in this regard are obvious. But even Government-controlled upper houses, where members exercise a greater degree of independence due to the longer parliamentary terms, can act as a check and balance on the Executive – witness the Senate between 1976 and 1980.

The adoption of the Review's key recommendations will require bipartisan support. The presiding parliamentary officers have made this an immediate priority. In his tabling statement,⁸ the President of the Legislative Council, Mr Hunt, announced the formation of an ad hoc committee to draft a parliamentary "mission statement", as recommended in the Review. The committee is to consist of the presiding officers and representatives of all party leaders. It is envisaged that the mission statement, which the presiding officers intend to present to a joint parliamentary sitting, will serve as a catalyst for implementation of the Review's major recommendations. A joint parliamentary committee has also been established to deal with issues arising from the Review.

Considering the level of animosity between the major parties in Victoria at present, the task at hand may more realistically be to maintain the twin issues of constitutional understanding and parliamentary effectiveness through until the next election and beyond.

If, as expected, a new government is elected with a hefty majority in both Houses, that government will be confronted by a temptation and a related danger. The temptation will be to exploit its majority and railroad its legislative package through Parliament without adequate scrutiny. If Cabinet does not move quickly to implement the Review's major recommendations, the large, restless government backbench may take matters into its own hands and call the Cabinet's bluff. What an irony that would be. ■

Notes

1. Page 50 (Review's emphasis).
2. *Education for Active Citizenship*, a report by the Senate Standing Committee on Employment, Education and Training, February 1989, p.9.
3. Victoria's is the only mainland Constitution which makes no provision for referenda. Other State Constitutions limit referenda to matters which Parliament has deemed appropriate.
4. See 'Parliament Degraded', *IPA Review*, Autumn 1990 at pp. 13-14 for discussion of reforming the parliamentary speakership.
5. *The Age*, 16 March 1991.
6. Pages 50-51.
7. Pages 25 and 61.
8. Legislative Council Parliamentary Debates, 13 March 1991, pp. 61-65.



HARRY GELBER

Taking Stock

THE outcome of the Gulf War prompts a number of reflections on the dilemmas of Australia's defence policies at the start of the 1990s. It would, of course, be too soon to attempt a full-scale technical assessment of the conflict even if detailed operational information were publicly available, which it is not. But certain generalizations already suggest themselves.

The conflict showed a number of things: the importance of superior strategic and tactical intelligence; the potentially decisive role of air power; the excellence and reliability of much of the hi-tech equipment which had for so long been the subject of debate, ranging from stealth aircraft and missiles to precision guidance; and, by no means least, the huge demands which modern hi-tech warfare creates for logistic support. At the core of modern military power now lie super hi-tech computation and communication capabilities, a command of new materials and of huge logistic resources. Other innovations, such as directed energy systems, are clearly just around the corner. Only the USA and to some extent Japan come close to being at the leading edge of all these technologies.

The management of the war by the US Government, strongly assisted by the UK, was little short of brilliant. The anti-Iraqi alliance was created and successfully maintained. Attempts at Soviet interference were contained or rendered ineffective. Domestic public

opinion became increasingly supportive. The frequently uneasy anti-Iraq Arab grouping was cajoled and persuaded to stay in line. Israel was kept at arms length from the coalition while receiving effective military support. The daily television briefings by allied commanders in addition to making the generals look clever and the journalists look stupid — as one Western newspaper put it — was used to deceive the Iraqis, who were glued to CNN like everyone else. This allied performance must command admiration.

No less interesting are some of the actual or potential weaknesses highlighted by the operation. If Iraq had been able to dispute the coalition's absolute command of the air, the outcome might have been very different. It would not have been possible to eliminate the Iraqis' intelligence and communications network and so 'blind' them. It would not have been possible so to weaken Iraq's ground forces through intensive air bombardment as to make the ground operation look almost like mopping-up. Still less would it have been possible, unobserved, to move several heavy divisions from the coastal area to the western front in preparation for the envelopment of Kuwait. And any Iraqi air force of even minimal effectiveness could have played havoc with the rivers of allied air, sea and trucked supplies and logistic support.

Furthermore, the allied hi-tech weapons may have been excellent, but there were very few of them. The laser-guided bombs often needed 'special

forces' patrols close to the target to illuminate it with hand-held target identification devices. The low-flying tomahawk missiles turned out to be vulnerable to ground fire. None of the coalition states, including the US and the UK, had enough merchant ships to supply the forces in the Gulf; and the flag-of-convenience vessels chartered in large numbers might not have been available if the coalition had had less complete command of the waters of, and the air over, the Gulf. Moreover, the entire conflict was fought in clear electronic and intelligence view of the Russians. The Soviets were able to observe everything through several electronic intelligence satellites, their reconnaissance aircraft patrols, and ground-based electronic intelligence installations on the Black Sea, in Iran, in their vast complex in Yemen and their facilities in Baghdad itself. They now have incomparably more and better information than ever before about the precise strengths and weaknesses of US and allied forces and methods. It is to be expected that over time these insights will be interestingly reflected in the Soviet forces' equipment, structure and planning.

Politically, moreover, it was always clear that opinion in many of the allied countries was somewhat fragile. In the US itself, and in Britain, the public's willingness to sustain losses remained untested. Here, too, there will be lessons to be drawn, both for the major coalition powers and for any potential opponents.

Lessons for us

What might the effect of such lessons be for this country? Perhaps the one of greatest general importance is also the least novel. Since World War I – and perhaps before – Australia has balanced uneasily between two divergent views of our position and role in the world. One has stemmed from the notion that we are a new people in a new continent, with our own identity to form, our own fate to make in relation to our own immediate surroundings and our economic and other needs. Those needs do not include, so this school of thought would have it, participation in “other people’s wars.” The Australian continent is one of the militarily most secure areas in the world. No one wants to attack it and if they did, the task would be immensely difficult. It is therefore enough for us to plan to defend ourselves in our own land. The other school of thought has held that, on the contrary, Australia’s fate, let alone our prosperity, depends critically upon the world balance of power and the ascendancy of our friends in it; that Australia may not be under threat but could not defend itself alone if any serious threat emerged; and that military as well as economic or cultural security must be sought through established friendships and maintained alliances. It is the second of these approaches which has in greater or lesser measure been adopted by every government, of either party, since 1945.

But there have been contingent problems. A defence force or force structure, prepared for effective co-operation with larger allies overseas, is by no means the same thing as one best prepared to defend Australia on, or close to, Australian soil. To try to do both would go far beyond the resource allocations to defence that any recent Australian Government has been willing to make, namely something under 2.5 per cent of Gross National Product. It would detract, probably seriously, from the resources – especially of hi-tech people and facilities – which are so urgently needed for the country’s over-

all economic and industrial development.

There is a further dilemma. Concentration on narrower versions of self-defence, on greater isolation from events far afield, has proved feasible when, but only when, the world has seemed relatively stable. That Australia herself is not under threat, and that no direct threat is visible on the political horizon, is obviously true. But all governments, most recently that of Bob Hawke over the Gulf affair, have insisted that we do indeed have direct interests at stake in places like the Middle East, or Europe or North-East Asia.

Moreover, the post-Cold War world is not only not stable but in some respects becoming less so. Ancient political fissures have reappeared, whether in the republics of the USSR, or in South Asia or the Middle East. Religious evangelism rears its head not just in the Islamic world but in Judaism and among many Christian sects and groups. We may be returning to a more Palmerstonian world, with shifting groups and alliances, and uncertainty as a more important norm.

Self-Reliance

From an Australian point of view the Gulf war carries a number of other lessons. One, which I have commented on before, is how poorly our past defence efforts have prepared us to take an effective part in a far-away conflict like that in the Gulf. It is not just that our defence resources are very small. They are inadequate in other ways. We could not hope to have the logistics to supply even a small force overseas for any length of time. We do not have communications systems adequate for such an overseas force, but must rather rely upon allied support in communications, not to mention in electronic and other intelligence. We largely lack the electronic counter-measure facilities which would be needed against an even semi-modern opponent. Our Navy must rely for air support either on the RAAF – where and when such support might

be available – or on allies: which means that, once beyond the immediate surroundings of the Australian continent, it must in practice rely on allies. In sum, an engagement involving modern hi-tech warfare cannot be fought by unaided Australian forces. It might not be possible to fight such an engagement even in Australia, if Australia were ever under attack by a capable opponent.

Even more obviously, we lack the industrial capacity to develop or produce not only the materials or computing facilities which are the basis of contemporary military power, but the larger items of equipment, including most ships and aircraft, that our forces might need.

The talk of ‘self-reliant’ defence has, therefore, always been something of a confidence trick, designed to persuade an impatient public opinion that we were moving towards self-sufficiency, while allowing the professionals to maintain the necessary overseas links. It has never meant more than doing for ourselves whatever we reasonably can. What the Gulf affair has demonstrated is that that may be even less than we had thought.

But it may be no less important to avoid wrong conclusions from that demonstration. For it seems clear that, in the contemporary world, military self-sufficiency is no longer possible for anyone. It has recently been calculated that some 25 per cent of the technologies used by even the US military forces come from outside the USA. The figures for Britain, Germany, Japan are presumably larger still. The conclusion is that, by a paradox which ought to be obvious, independence in defence matters depends directly upon cooperative arrangements with others and especially with allies. As time goes by, ‘self-reliance’, if it means an attempt to be self-sufficient, becomes even more than in the past a prescription for technical and operational backwardness and inadequacy. To that extent, at least, ‘self-reliance’ and separation from allies are misleading if not self-defeating aims for this country. ■

A New Beginning for the United Nations?

Can we expect to see the UN playing the same decisive role in future conflicts as it did in the Gulf? A former ambassador to the UN thinks it is unlikely.

THE charge of ineffectualness has long dogged the United Nations. But the role played by the UN in sanctioning action and coalescing member countries against Iraq in the Gulf Crisis has given some observers hope that the UN may occupy a leadership position in some emerging "new international order". According to former US Ambassador to the United Nations and former National Security Advisor to the President, José Sorzano, however, the chances of the UN mending its ways are remote.¹ There are fundamental institutional barriers and political obstacles which prevent the UN functioning effectively or efficiently.

When speaking of the United Nations many people think only of the Charter of Human Rights and the laudable principles which it embodies. The institutions established to pursue these ideals, however, are less admirable. The UN General Assembly operates on the principle of one country, one vote, although in reality delegates vote in blocs and are subject to 'party discipline'. The largest bloc is the Non-Aligned Movement, largely representing the Third World. It consists of around 120 members (a clear majority of the General Assembly) and is dominated by its left-wing. This bias, said Sorzano, is also apparent in UN agencies such as UNESCO where all issues lead to the 'evils' of Zionism or apartheid.

The UN Security Council consists of five permanent members — the United States, Britain, France, China, the Soviet Union — and 10 others representing the world's major geographical regions. Here, too, the Non-Aligned Movement typically controls a majority of votes, although all the permanent members have the right of veto. The only reason the UN was able to act resolutely on the Gulf Crisis was that the situation involved one Non-Aligned Nation invading another — thus splitting the Non-Aligned Vote — and that the Soviet Union did not exercise its right of veto, which in the past has often paralyzed the Security Council. Whether the Soviet Union can be relied upon in the future will depend, Sorzano believes, on the future of reform in Moscow.

The Moral High Ground

Achieving resolve at the UN on the Gulf situation was also made easier than it might otherwise have been by the lack of moral ambiguity in the conflict — an unprovoked invasion of a small member country by a larger, aggressive one. This factor also made it easier for the US Congress to sanction action, said Sorzano. Congress is still influenced by a 'Vietnam syndrome', making it reluctant to commit US troops abroad.

That is why President Bush needed UN support. An argument to Congress pitched purely in terms of US interests in oil would have been insufficient to swing the vote. But seeking UN approval, Sorzano believes, may have set an unfortunate precedent, given the probable difficulty in winning UN approval for action in a future conflict.

A key institutional weakness of the UN — and a reason why it is unlikely to emerge as an effective force for international order — is that it has no standing military capability. The deployment of peace-keeping forces will always involve the troops of sovereign nations and require the agreement of all parties in any dispute. The UN's only real capacity is peace-keeping, not peace-making. The Secretary General spent endless hours trying to mediate a solution during the Iran-Iraq War, with no success.

Like a vast modern welfare state the UN is heavily bureaucratic and profligate. Structurally the fault lies in the fact that the countries that have the votes do not have to pay the bills and those who pay the bills do not have a majority of

Eighty per cent of UNESCO's budget is spent in Paris

votes. The US, for example, contributes 25 per cent of the UN budget, but only exercises one vote out of a total of 159 in the General Assembly. The collective contributions of the 60 poorest nations amount to less than one half of one per cent of the UN budget. Much of the UN budget is absorbed by the internal workings of the vast bureaucratic machine. Every speech to the General Assembly — and they are never short — is recorded, transcribed, translated into five other languages, published and widely distributed. Each page of every speech, once it has been through this process, costs about \$550 — more than twice the average per capita annual income of the less-developed nations represented at the General Assembly. Eighty per cent of UNESCO's budget is spent in Paris; the UN has 40,000 to 50,000 employees world-wide; 75 per cent of the UN budget in New York is spent on personnel.

For the UN to become an effective and efficient international power, Ambassador Sorzano concluded, would require a radically different organization. ■

— Ken Baker

1. In May, Ambassador Sorzano addressed forums in Sydney and Melbourne organized by the IPA's Pacific Security Research Institute.

Strang

People in Glass Houses "Good riddance to Bad Rubbish!" is the heading and sentiment of an article in the pro-ALP **Fabian Newsletter** celebrating the toppling of Mrs Thatcher in Britain. "Maggie's parting gift to the People of Great Britain was the latest unemployment figures — 1.7 million Britons are now out of work, that is 6.2 per cent of the work-force." I await eagerly the **Newsletter's** comment on Australia's 9.9 per cent unemployment.

Capitalism Condemned "Ideas are in extraordinarily short supply in our community," according to Dr Davis McCaughey, Governor of Victoria. So short, in fact, that the Governor was forced to recycle ideas that most of us had thought were discredited. In an address marking the opening of a community leadership project in February, he commented on the collapse of Marxism, but then turned the argument on the West: "It is being widely overlooked that what we are living through is not only the collapse of communism but also the collapse of Western free market capitalism. It [capitalism] may enable more men and women to live in some greater comfort or security, but it fails to solve some of the greatest problems of mankind: the increasing gap between the very rich and the very poor, the problems of disease and homelessness. The Western societies which espouse free market capitalism survive by the pursuit of greed, and in their own way, like Communism, throw into leadership men and women (mostly men) who know how to gain, exert and manipulate power. It must surely have occurred to you that this present war in the Gulf is the direct result of applying to the international world, unchecked, unqualified, the principles of a free market economy." Well, no, it hadn't occurred to me. Perhaps the Governor's view that we are living through the demise of capitalism is unduly influenced by the State over which he presides.

Victims Inc. Business woman, Robin Greenburg, has accused the Australian Securities Commission of sexism following the placing of her company, Western Women, a building society established specifically for women depositors, into receivership. A psychic has been consulted by the employees of Western Women to relieve stress. Being a victim is not new to Ms Greenburg, as she explained to the **Sunday Herald**. "I am an incest survivor, I have experienced domestic violence, I have been on a supporting parent's pension. I was at one stage a taker of Valium. I have defended my children against abuse, I work against war, I support ethical investment, I support pro-choice, I am Jewish." She has no place for management books. "I have on my desk, as my basic business guides, the Old Testament, Taoist readings and **The Women's History of the World**." Ms Greenburg has been twice declared bankrupt.

Tomorrow the Universe Sim Earth is "the ultimate experience in planet management," says a pamphlet advertising a new computer software package inspired by James Lovelock's Gaia concept of the earth as a single living organism. "Learn to manipulate atmospheric, geospheric, climate and life processes while watching your planet evolve," the blurb runs. "As you advance in skill, you can design, modify, manage and nurture a planet. Create and form the oceans to your specifications. When life first appears, you are there to watch and help it evolve in its development of intelligence and technology as civilization extends itself into the universe in search of new homes." In short, learn to play God.

Beyond Comprehension A private primary school which stresses the three Rs, Christianity and good behaviour has been harshly criticized by government inspectors in Britain, reports the London **Sunday Telegraph**. The school, Hyland House, is run by Seventh Day Adventists and has a 100 per cent Afro-Caribbean student population. The inspectors were critical of "an over-emphasis on English," "over-use of comprehension exercises," and insufficient "multi-cultural resources" in social studies. However, the inspectors accepted that reading standards, spelling and grammar were satisfactory and that "most of the children have a fairly secure grasp of number and of basic arithmetical processes." The 90-pupil school which charges fees of £340 a term has a waiting list of 150.

Which is Progress? Two headlines on the same day (10 January) in the **New York Times**:
"New York Panel Backs School for Minority Men"
"South Africa Moves to Integrate Schools"

That's Entertainment? In Melbourne's western suburb, Footscray, a Women's Circus is being formed. Director, Ms Donna Jackson, claims the new circus will "entertain audiences while challenging them to think about perceptions of women," reports the local community newspaper. Ms Jackson said "Women of different ages, experience and physical ability will work together towards an imaginative and innovative examination of women's concerns and issues. In particular survivors of sexual abuse within the family will be targeted as a means of reaffirming women's control over their bodies, increasing self-esteem and building a positive body image." Sounds like a load of fun.

Things Could Be Worse Gert Cook, a New York bag woman (homeless tramp) recently spent two weeks masquerading as a TV news anchorman. It began when she told the **New York Times** that she and other homeless people tended to take things for granted. "Think

of all those poor unfortunates out there who don't have it as lucky as we do," the destitute woman pondered. "Think of the mujaheddin. Think of the starving children in India. Think of all those TV anchorpersons."

A women's magazine responded, arranging for Ms Cook to appear for a fortnight on an evening news program as the anchorman. "I knew it would be bad," she said, "but I really had no idea how demeaning an anchorperson's life could be. Having to wear a frilly bow. Having to rehearse chuckles with a stand-up meteorologist. Having to feign knowledge of tennis players named Slobodan. And having to open the program with the words, 'Eleven children were burned to a crisp in a crowded Brooklyn apartment while their drunken parents were out playing poker last night, but the big story is: Woody Allen's shooting on 72nd Street, where our own Cindy Barbish caught up with him.'"

As a consequence of her stint, Gert Cook has been approached by both the Republican and Democratic parties seeking advice on the bag person vote, and by fashion designers interested in developing a line of glitzy but proletarian evening apparel (**Reason**).

From Politics to Porn Andrew Kirk, who worked for Liberal Senator Chris Puplick prior to his loss at the last election, has now turned his talents to film-making, more precisely, gay pornography. "It was a fantasy of my own to get into this, to see what it was about and see if I could create an Australian gay porn industry by starting off myself," he told **Campaign**. His first film is **Going Down Under** which, he admits, won't be watched for its storyline. "I'll make a movie with a plot later," he said.

In the meantime, Andrew has not lost interest in public affairs. "I'd like to do some more filming in public. I'd really like to film sex at a dance party, with lots of people around and people having sex on one part of the dance floor. To bring back the idea of the orgy in the public place."

Nor has he lost his commitment to liberalism (albeit with a very small 'l'). Apparently not all the actors in **Going Down Under** practise safe sex and this, says Andrew, will make the film "controversial". Some people "will no doubt see a problem with it, but the overriding philosophy is freedom of choice...I am not going to become a crypto-fascist and tell them what they can do...If people want to engage in unsafe sex that is their prerogative."

Unacceptability The Centre for Aboriginal Research, Education and Studies at the University of Western Sydney is seeking a Director. The advertisement in **The Weekend Australian** lists as the first criterion which applicants must satisfy: "acceptability to the NSW Aboriginal community." So much for the independence of the university! How is 'acceptability' to be determined? Is a poll among NSW Aborigines to be conducted or a select sample of activists to be consulted? Would the University

seek the approval of the US consulate before making an appointment in American politics?

A New Broom Is there a collective noun for a gathering of radical feminists? If the word 'coven' comes to mind, then an article in the **Berkeley Journal of Sociology** may interest you. In it Tracy Luff argues that Wicca or Witchcraft could add a revolutionary spiritual dimension to feminism: "self-empowerment seems to be a major consequence of participation in Witchcraft. Such a belief in one's abilities and strengths is necessary to maintain the high level of energy needed to keep a social movement such as feminism alive and growing. The coven as 'support group' also provides an outlet for frustration and feelings of alienation. Second, a feminist spirituality such as Wicca provides a positive alternative vision to counteract the negative effects of being continually confronted with the destructive nature of patriarchal culture. Through the creation of close, trusting, egalitarian, co-operative relationships with others, such as in the coven, Wicca works to create that positive vision in the present."

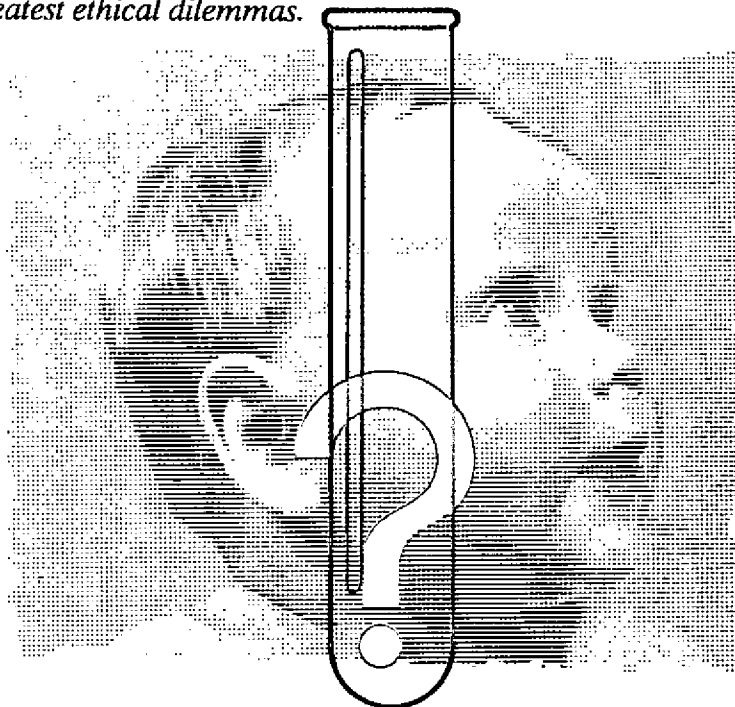
Graduates in Golf Australia's first twin high schools for Japanese and Australian students were launched in May. Located in southern Queensland, the schools boast as one of their major attractions a professionally designed 18-hole golf course. Professional coaching will be part of the curriculum. "Theoretical and scientific approaches will be included as part of the coaching program," states a press release. When their secondary studies are complete, graduates from the schools' golfing program will be given automatic entrance into one of the world's leading golfing academies in the United States. "The golfing program we are offering is already creating a lot of interest in Japan and we are expecting a very positive approach in Australia as well," said Mr Clarke, the Principal of one of the schools. "Outstanding prospects who emerge through the schools will be well qualified to enter the professional ranks — particularly if they want to play the lucrative Japanese circuit."

Captive Guests Last December Iraq issued a bill to Britain for \$375,000 to cover the cost of holding several dozen British workers hostage in a five star hotel in Baghdad. The workers were detained for four months against their will. According to **The Age**, the British Foreign Office has guaranteed that the bill will be met. It has asked the workers' employers, Interiors International, to pay, but a Foreign Office spokesman added: "If the company cannot do so, we will pay it."

Sen Baker

Should IVF be prohibited?

*To some, in vitro fertilization — test tube babies — evokes images from Aldous Huxley's **Brave New World**. To others it is a triumph of science's service to humanity — permitting couples who otherwise would remain childless to have children. The law regulating IVF and associated procedures such as embryo experimentation (for the purpose of ascertaining chromosomal defects, etc) differs from State to State. NSW has no law specific to this area. Victoria permits married couples to participate in IVF programs, but prohibits experimentation on embryos older than 22 hours. In South Australia, the Reproductive Technology Act 1988 banned embryo experimentation. In WA the proposed legislation has yet to pass through Parliament. The Australian Fertility Society has developed a voluntary code of practice aimed at encouraging self-regulation by medical scientists. Of all fields of scientific advance, the new reproductive and medical technologies pose the greatest ethical dilemmas.*



YES

Devalues Life The Roman Catholic Church states:

"The connection between in vitro fertilization and the voluntary destruction of human embryos occurs too often. This is significant: through these procedures, with apparently contrary purposes, life and death are subjected to the decision of man, who thus sets himself up as the giver of life and death by decree."

IVF requires man to play God. Even in South Australia, where embryo experimentation is banned, unused embryos are frozen and will be thawed after 10 years to be destroyed. The view that Nature too destroys many embryos is beside the point. Death from natural causes is morally neutral. If one accepts that human life begins at the point of conception, then the destruction of embryos is morally reprehensible.

NO

New Life Brings Joy The joy a baby brings to an infertile couple outweighs any reservations about the technology of reproduction. For those couples entering the program, even a low probability of success is better than none at all which is what they would be left with were IVF to be banned.

No Threat to the Family

There is no reason to see IVF as a threat to family stability. The origins of a baby do not usually affect the parents' love for it; an adopted child is no less loved than a biological one. An IVF baby is, if anything, more appreciated than one normally conceived because of the trials the parents have had to endure. A child's sense of identity is determined by social experiences not biological links. Moreover, IVF will only ever

The overall impact of IVF will be to devalue human life.

Science Knows No Limits

Self-regulation by scientists will not work. While science and technology have progressed, the nature of man has not: scientists, like the rest of us, are fallible and egoistic. In addition, the competitive pressures to which scientists are subject — the constant imperative to extend the boundaries of knowledge regardless of consequences — are beyond the capacity of most scientists to resist. IVF opens up a Pandora's Box of possibilities: ectogenesis, cloning, surrogate motherhood, eugenics and other forms of genetic engineering reminiscent of Nazi Germany. These may not be the aims of current practitioners, but they are a logical by-product of treating an embryo as biological plasticine and the natural processes of reproduction as violable.

be utilized by a minority of couples as a last resort: it will never become the norm.

Freedom of Inquiry Scientific progress, to which we owe much of our quality of life, depends on the freedom of scientists to choose an area of research and pursue it unhindered. We have nothing to fear from scientists. They are people with consciences and families of their own; they are not Frankensteins. The hideous experiments in eugenics carried out in Nazi Germany were the result of the political control of science, not a lack of government regulation.

Luddites History is full of prophets of doom and Luddites predicting disastrous consequences from every new technology. Almost always they have been proved wrong by the passage of time. IVF is the product of human ingenuity directed at solving a human problem. There may be casualties of

Dehumanizing IVF represents the subordination of the intimately human act of procreation to the mechanistic processes of technology. It is dehumanizing to the women who participate in the programs and the IVF embryo is treated like a manufactured object on a production line.

High Failure Rate Less than nine per cent of IVF treatment cycles result in an on-going pregnancy or birth. Eighty-five per cent of the couples who enter the IVF program are unsuccessful. These figures represent a disturbingly high failure rate which is not only wasteful, but can have a traumatic impact on women who enter the program anticipating pregnancy. Even for the minority who become pregnant, the perinatal mortality rate and the incidence of congenital defects is higher than in pregnancies resulting from natural conception.

progress, but we do not ban cars because of the road toll. Like the aeroplane, the computer and the heart transplant, IVF is cause for celebration, not anxiety.

Opponents of IVF see it as against nature. But all technology is a manipulation of nature. Where does one draw the line? IVF is not a violation of nature. Conception is a natural phenomenon whether it takes place in a womb or a test tube. In their search for knowledge scientists develop a deeper respect for the laws and marvels of nature than is appreciated by non-scientists.

Trial and Error Embryo experimentation is necessary in order to perfect the IVF procedure and to reduce the possibility of malformed fetuses. In the pioneering stages of many revolutionary medical procedures there is a high failure rate; but in the long term lives are saved. The history of renal transplants followed this pattern.

Embryo experimentation may improve the efficiency of IVF, just as the success rate of heart transplants has improved with practice. But a heart transplant does not involve the deliberate sacrifice of the donor and would be prohibited if it did; in IVF embryos *are* deliberately destroyed.

Expensive IVF is not cheap. The average cost per live birth is \$40,500 of which the taxpayer pays \$22,680. The resources available for medical therapies are limited. If funds are allocated to IVF programs and research they are not available for other, more deserving, treatments or research.

Undermines the Family

A primary basis of the family is the biological bond between parent and child. Moreover, an important component in a child's sense of his own identity is the sure knowledge that A is his mother and B is his father. IVF weakens this.

The Genie is out of the Bottle

Just as it is impossible to dis-invent nuclear fission, so to ban IVF in Australia would merely send scientists and infertile couples overseas where controls are fewer. We cannot pretend that the knowledge does not exist.

Private Morality Most state interference in family relationships is objectionable. Participation in an IVF program ought to be a matter of private morality not legislation. As long as each couple is fully informed of the risks, then it should be for them, not the State, to decide whether or not to proceed. The fate of the frozen embryos should be determined by the wishes of their owners, not the State.

Further Reading

Hiram Caton (ed), *Trends in Biomedical Regulation*, Butterworths, 1990.

Australia's Tribunals — Substitute for Success?

In football as in industrial relations Australians rely too much on tribunals.

HOWARD BELLIN

TECHNOLOGICAL improvements and satellite dishes have made it possible for Australians to view American and European sports such as American football, professional baseball and basketball and World Cup soccer. In all these sports, particularly in the United States, athletes are highly paid — some earning as much as \$4 million per year with average salaries in some leagues approaching \$1 million per year. Television rights bring sums in the hundreds of millions of dollars and excellent facilities are available for sports fans.

Those who have watched the highly-paid American athletes in action might have noticed that the penalty for a flagrant foul in a game of any American professional sport is disqualification, e.g., the offender gets thrown out of the game. If he is fined (he usually is) the amount is determined by the league's management — professionals hired by the owners and paid big money. For example, David Stern, the National Basketball Association's Commissioner makes \$5 million a year. The highly-paid player also may be suspended for a few games with loss of his substantial pay cheque. He can appeal. He usually loses because, all along the line, the decision has been made by professionals who are paid to make the right decisions and only keep their jobs if they do.

Contrast the American system with that in the Australian Football League. Here, a player is not disqualified for a flagrant foul, he is reported by the umpire. The decision as to what happens to him is made, not by the man on the scene, not by professionals, but by a tribunal of 'important people' who have no financial interest in the competition. There is a large cast of characters — barristers, advocates, character witnesses, club officials and a motley group of hangers-on. It seems everyone feeds at the trough of the tribunal system and everyone involved is a potential Colonel Blimp.

The tribunal system is pompous, officious and time-wasting. It makes big men of little people and often recompenses them through power for what they lack in earning capacity. Sadly for Australia, the pomposity and officiousness displayed in AFL football is repeated in almost every aspect of Australian sporting and commercial life. It is most evident in the way employees' wages and conditions are negotiated here.

The United States is one of the cheaper countries in the world in which to live. Executives are among the most highly-paid in the world, union/management relations are generally good, the worker has better security than in Australia and, usually, better wages. The US uses collective bargaining, Australia uses tribunals of learned gentlemen (and women) who make statements along the lines that the commercial

viability or economic effect of what they do is not relevant in their deliberations and decisions. Is it any wonder that Australia is in its current parlous state and that it has had among the worst labour relations in the western world?

The penchant for pomposity belies Australia's supposed egalitarianism. Some years ago, Professor Donald Horne said "Australia is a country where the worker can call his boss 'mate' but never forget he's the boss." I came to Australia 25 years ago. I was shocked by this country's poor material standard of living compared to America's, the unbelievably low wages and the belief by Aussies that they lived better than Americans or anyone else, for that matter. They did not. I stayed here, not for material reasons, but for family and quality of life reasons — better climate, fewer people, and a better chance to make it on my own because Australians didn't work nearly as hard as Americans. In my opinion, the low standard of living was due to a lack of work ethic and determination.

In the place of the Protestant work ethic in this so-called egalitarian society, I found pomposity and officiousness at almost every level of commerce — particularly at middle management. It had a particularly debilitating effect on me because I was attempting to start a consulting practice. What I found made me ponder. Why do Australians have tribunals for football players, for deciding employment conditions, for choosing cricket players? I think that in the years when salaries were low and working conditions tough, membership of tribunals gave those who wanted to be rich and powerful a way to be important.

The stock answer to the above is that Australians are not like Americans: they don't really want to be rich and important. But the excesses of Australia's entrepreneurs and the media adulation of them over the past five years have surely made a nonsense of this stock answer.

So why don't we change? Maybe one reason is that the system employs a couple of hundred highly-paid 'important' people who, in aggregate, earn about \$25 million per year. Another reason is that we are locked in by inertia. Executives who have their wages decisions made for them have a way out when their profits are down. Crying for the government to fix things has always been a way of life in Australia. Collective bargaining means that professional managers have to fix things. Many Australian managers do not know how to do so.

Maybe it is time we markedly increased the number of professional managers in Australia and gave them the salary packages of their counterparts in the United States, Switzerland and Germany.

Then we can leave the tribunals to the Colonel Blimps and the politicians. ■

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Dangers in Amending the Trade Practices Act

Changes have been proposed to the Trade Practices Act. The business community has been remarkably quiet about proposals that would make takeovers and mergers more difficult.

W.R. McCOMAS

IN the 12 March Industry Statement, the Prime Minister emphasized the essential national objective of building a competitive Australia and cited the Trade Practices Act as the principal legislative weapon to ensure that consumers get the best deal from competition.

Three particular provisions of the Trade Practices Act are currently the subject of examination.

First is s.46 which proscribes the misuse of market power by corporations possessing a substantial degree of market power.

"...the object of sec.46 is to protect the interests of consumers, the operation of the section being predicated on the assumption that competition is a means to that end."¹

These are the words of the Chief Justice of the High Court of Australia (Mason C.J.) and one of his then fellow judges (Wilson J.) in the leading case on s.46, *Queensland Wire Industries Pty Ltd vs The Broken Hill Pty Co Limited and Anor.*²

S.46 was amended in 1986 to lower the threshold for its operation. Prior to the amendment, it applied to corporations which were in a position substantially to control a market. The 1986 amendments lowered that threshold to apply the section to corporations that have "a substantial degree of power in a market." Such corporations must not take advantage of (i.e. use)³ that power to eliminate or substantially damage a competitor, to prevent new entry or to deter or prevent a person from engaging in competitive conduct in the market in which power is possessed or in any other market.

The section has been the subject of a number of Federal Court cases since its amendment and has been found to be very effective.

In a speech delivered to the Australian Economic Society in September 1990, the Chairman of the Trade

Practices Commission identified what he seemed to suggest are two weaknesses in s.46.

- "[it] is not predicated on the effect of the misuse of market power..."
- "Furthermore, there is no divestiture remedy available in the Act for a misuse of market power. Unlike the US prohibition against monopolization, the Commission can only obtain an injunction or some similar order against a firm that misused its market power;"

The Green Paper issued by the Government in 1984 suggested that 'effect' rather than 'purpose' should be the applicable criterion for s.46, but the suggestion was rejected as having the potential to impose an unnecessarily onerous burden upon corporations pursuing aggressive competitive conduct in the normal way.

As was observed by Chief Justice Mason and Justice Wilson in the *Queensland Wire Industries* case:

"Competition by its very nature is deliberate and ruthless. Competitors jockey for sales, the more effective competitors injuring the less effective by taking sales away. Competitors almost always try to 'injure' each other in this way."⁴

As already observed⁵ corporations which have substantial market power "take advantage of" that power if they use it for a proscribed purpose. If 'purpose' is replaced by 'effect' and if an effect of competitive behaviour is to injure a competitor, it would follow that such a change would seriously inhibit powerful corporations from engaging in competitive conduct.

If the Chairman of the Commission was floating the possible amendment of s.46 in this way, there can be no justification for it, particularly because of the force which

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decided cases have shown the section to possess.

Furthermore, s.46 already goes a long way towards allowing the Court to consider the 'effect' of a corporation's behaviour; the existence of an anti-competitive purpose may be established if it is "ascertainable only by inference from the conduct of the corporation or of any other person or from other relevant circumstances."⁶

Of the suggestion that a divestiture power might be granted to the Court, there is no empirical or other evidence to suggest that there has been such a course of repetitive predatory conduct on the part of any corporation possessing substantial market power as to justify such an extreme measure.

Practitioners in this field will agree that Australian corporations which do possess substantial market power are very conscious of that fact and for the most part seek to avoid contact which might expose them to proceedings under s.46. Those which have felt the bite of the section would undoubtedly accept that once is enough.

A ghost from the past appears to have arisen to spark many of the proposals for amendment. That is that "big is bad."

The protagonist of this suggestion has proclaimed that the mere presence of a divestiture power would be a sufficient deterrent in itself such that the power need not be used. That is either naive or an exercise in sophistry. The majority of s.46 claims made in the Courts since 1986 (that is when the lower threshold was introduced) have been by way of private action and one is yet to see a determined litigant fail to use any remedy available to him to achieve his ends. One should also beware the over-zealous administrator.

It is also strongly arguable that because the section is aimed at conduct (misuse) and not the possession of market power, it would be wholly inappropriate for such a divestiture power to co-exist with the pecuniary penalties which may be exacted for contravention of the section.

It is to be noted that in its May 1989 report following its inquiry into ss.46 and 50 of the Act, the House of Representatives Standing Committee on Legal and Constitutional Affairs (the Griffiths Committee) recommended "that section 46 of the Trade Practices Act 1974 be retained in its existing form."⁷

Regulation of Take-overs

The second provision for which there is some pressure for amendment is s.50, the section which regulates merger or take-over activity. No section of the Act has provided more controversy than this one.

It will be remembered that when s.50 was first introduced, it proscribed mergers or take-overs which resulted in a substantial lessening of competition. In 1977, the section was amended to reflect the philosophy that there should be no

Why Should They Be Exempt?

"Competition law is becoming the cutting edge of structural reform at state and federal levels. This follows Prime Minister Hawke's proposal to expand the reach of the Trade Practices Act. Statutory bodies, such as water and electricity utilities, port authorities, the professions and commodity marketing boards, at present immune to competition regulation, are likely to come under the reach of the Act...

The Trade Practices Commission has been itching for years to get its teeth into bodies protected by constitutional restrictions and Crown immunity, as well as the diverse array of state-based bodies that are closed shops as far as regulation is concerned. But its bite has been limited to incorporated enterprises and, more recently, to a handful of Commonwealth enterprises. In its submission to the 1990 inquiry into Crown immunity by the Senate Standing Committee on Legal and Constitutional Affairs, the commission called for re-evaluation of the doctrine.

The commission's 1989-90 annual report complained that the Act was a powerful tool, but was limited by its constitutional confinement to regulating the activities of corporations. State and federal bodies, including powerful natural monopolies, were excluded from its reach under section 51 of the constitution and by specific state legislation. In the same report the commission drew attention to the market power of unions and their potential to cause damage through unfair and anti-competitive practices, but Hawke has not made any statement on this aspect of the report.

The commission's review of 13 professions also draws attention to the opportunity for anti-competitive behaviour or misuse of market power. The commission says state legislation often buttresses the professions against competition law. The professions claim that the need to maintain high entry qualifications and ethical standards justifies the insularity they display. Professionals who incorporate their practices or businesses for tax and other reasons — and the number doing this is increasing significantly — automatically come under the provisions of the Act. Those who operate independently, such as barristers, are prime targets in the new atmosphere of investigation...

One area ripe for attack, and which has been ignored in the recent debate, involves the vast number of commodity authorities that have state-vested powers over markets. Their anti-competitive activities, effectively sanctioned, involve setting prices and quotas as a shield for vulnerable producers of everything from rice and eggs to milk. The Industry Commission, which has just completed a review of statutory marketing arrangements, says many of these arrangements adversely affect microeconomic efficiency."

Narelle Hooper
Business Review Weekly, 12 April 1991

legislative or administrative impediment to the attainment by Australian industry of efficiency and international competitiveness. The change introduced by the then Minister for Business and Consumer Affairs, John Howard, changed the threshold for proscribed mergers or take-overs from those which would result in a substantial lessening of competition to those which would result in control or dominance of markets or substantially strengthened power of that order.

The Government's 1984 Green Paper floated the possible reversion to the substantial lessening of competition test but it found no favour in any responsible quarter. Accordingly, when s.50 was amended in 1986, the Government did not interfere with the dominance threshold (it simply removed 'control') and the Honourable Lionel F. Bowen MP, then Attorney-General, justified its retention thus:

"The Government is firmly committed to the encouragement of efficient Australian industry and to increasing our competitiveness on world markets."⁸

In its May 1989 report, the Griffiths Committee noted in words reminiscent of Mr Howard's that "the need for improved efficiency and increased international competitiveness has not diminished in the last decade."

Notwithstanding the consistent bipartisan adherence over the last 14 years to the theme of industry efficiency and competitiveness as the primary economic goal underlying the dominance test in s.50, and the effectiveness of that test as evidenced by a number of Federal Court decisions in the last four years, it is astonishing that there is once more pressure for a reversion to the substantial lessening of competition test.

The Griffiths Committee rejected its reintroduction in 1989⁹ and opted to retain the dominance threshold.¹⁰

That was a view commonly expressed by other objectively motivated persons who made submissions to the Griffiths Committee Inquiry.

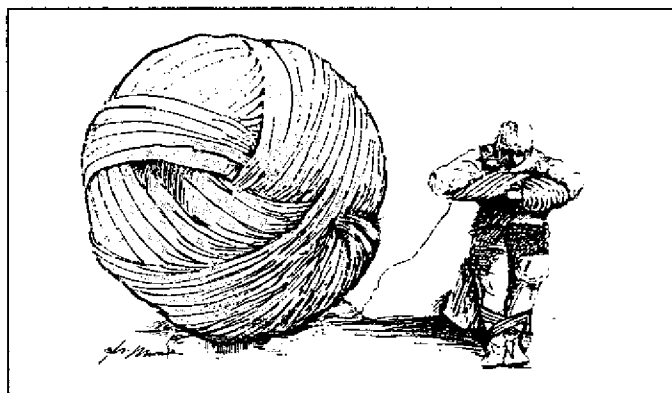
The current pressure to revert to the former threshold appears to emanate from special interest or factional political elements who cite no objective evidence to support such an amendment. To respond positively to them would be to gain-say the credibility of the statements made by successive Government spokesmen and instrumentalities. Indeed, it is impossible that the Prime Ministerial plea for continued advancement towards efficiency and competitiveness could be reconciled with the reversion to a test which was rejected in 1977, in 1986 and in 1989 as an unnecessary restraint upon these desirable economic and social goals.

In part, perhaps largely, claims for a lower threshold appear to be based upon perceptions about some of the more notorious take-overs which took place in the 1980s. Some of those perceptions bordered on the hysterical — none of them has attempted to examine what the effect might have been had the substantial lessening of competition test and not the dominance test applied to those take-overs.

It is instructive to recall that one merger case did deal with the substantial lessening of competition threshold.¹¹ In 1976, the Trade Practices Tribunal considered a case where

two rival flour millers in Queensland competed with one another to take over the third. For either to have succeeded would have reduced the number of Queensland millers from three to two. In its assessment of the state of competition in the industry, the Tribunal enunciated five criteria for determining market structure and concluded that, contrary to the view of the Trade Practices Commission at the time, the acquisition by either miller would not substantially lessen competition. The criteria laid down by the Trade Practices Tribunal in that case were approved and adapted in an expanded form in the first merger case which grappled with the dominance test¹² and they have since been followed with some further degree of adaptation by succeeding cases in the Federal Court.¹³ The point simply is that objectively considered, the difference between the two thresholds might not be as great as it is perceived to be.

Regrettably, objective consideration appears to be absent from the cries for a lower threshold test for mergers or



take-overs. It is also somewhat regrettable that there does not appear to have been any significant comment from the business community on the subject. This comment is not lightly made; governments do note such absences.

A ghost from the past appears to have arisen to spark many of the proposals for amendment which have come forward. That is that "big is bad." It is more prevalent than many might realize and it cannot be ignored. It can and should once more be laid to rest for it is wholly fallacious as illustrated by the noted American economist, F.M. Scherer, in the following words:

"To postulate a 1-to-1 relationship between monopoly power and absolute size is like confusing pregnancy with obesity. Some superficial manifestations may be similar, but the underlying phenomena could hardly differ more."¹⁴

Australia, like it or not, is still a developing country in economic terms when looked at against the backdrop of the world stage. To introduce a lower threshold for the regulation of merger or take-over activity would be contrary to contemporary Government policy, would interfere with harmonization between Australia's business (competition) law and that of New Zealand and would place yet one more obstacle in the way of Australian business achieving efficiency and competitiveness.¹⁵

Severity of Penalties

The final provision for review is s.76, which empowers the Federal Court to impose penalties for contraventions of the Restrictive Trade Practices provisions of the Act. They are presently set at \$250,000 for corporations and \$50,000 for individuals, limits which have been in place since the Act came into force in October 1974.

The purpose of penalty provisions such as these is clearly to deter conduct which contravenes the relevant provisions of the Act, but in two recent cases, Federal Court judges have questioned whether or not these penalties are now adequate to achieve that purpose. One of those cases dealt with a contravention of s.46 (misuse of market power) and the presiding judge, Mr Justice French, had this to say:

"Indeed, having regard to the size and strength of some of the corporations to which the section is addressed, it may be concluded that the present day value of the maximum penalty no longer reflects the seriousness with which Parliament intended contraventions of Part IV to be treated when the Act was passed in 1974."¹⁶

There is little doubt that these penalty provisions are long overdue for review; indeed were it not for the presence of s.45D in Part IV and the fact that the secondary boycotts to which that section is directed are most commonly undertaken by trade unions, one might expect that the penalties would have been increased some years ago. It is noteworthy that the penalty provisions of the Commerce Act 1986 of New Zealand (the counterpart to the competition provisions of our Trade Practices Act) have recently been increased to \$5 million for corporations and \$500,000 for individuals. □

Notes

1. *Queensland Wire Industries vs BHP & Anor* (1989) ATPR 40-925 at p.50,010.
2. *Ibid.*
3. *Ibid* — all members of the court so held.
4. *Queensland Wire Industries vs BHP & Anor, op. cit.*
5. *Ibid.*
6. S.46(7).
7. *Mergers, Take-overs and Monopolies: Profiting from Competition?* Report of the House of Representatives Standing Committee on Legal and Constitutional Affairs, May 1989, Recommendation 2, p.41.
8. Second Reading Speech, *Hansard*, 19 March 1986.
9. House of Representatives Standing Committee report (supra) para. 3.3.11, p.18.
10. *Ibid*, page 63, recommendation 4.
11. *The QCMA and Defiance Holdings* (1976) ATPR 40-012 at p.17,246.
12. *TPC vs Ansett Transport Industries (Operations) Pty Ltd and Others* (1978) ATPR 40-071 at p.17,720.
13. *TPC vs Australia Meat Holdings Pty Ltd and Ors* (1988) ATPR 40-876. *TPC vs Arnotts Ltd and Ors* (1990) ATPR 41-062 (1991) ATPR 41-061.
14. F.M. Scherer, *Industrial Market Structure and Economic Performance*, Third Edition, p.18.
15. Certain amendments are now being made to s.50 pursuant to a Bill introduced on 21 December 1990. They introduce a new subsection (1AA) intended to catch mergers and acquisitions by non-incorporated bodies corporate and by subsidiary or associated bodies corporate whose parent or controlling corporations will dominate or have substantially increased dominance in Australian markets. Technically, the new subsection introduces certain untidiness to s.50. Practically, it will have little impact. Certain other amendments introduced at the same time are intended to tidy up some other features of the section. An objectionable element of the amendments is their retrospectivity to 21 December 1990.
16. *Trade Practices Commission v. CSR Limited* (1991) ATPR 41-076 at pp.52, 154.

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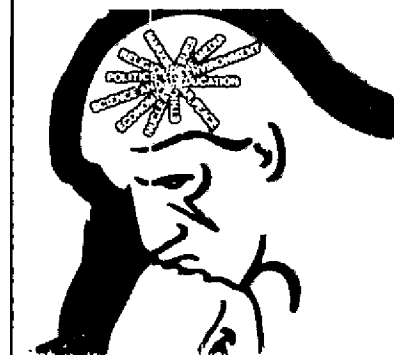
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AN ANNOTATED BIBLIOGRAPHY

BILL MUEHLENBERG



Life on the Margins

Working as a social worker in Melbourne's northern suburbs has made Janet Farrow acutely conscious of the gap between the so-called progressive social theories she was taught at university and real life on the margins of society.

KEN BAKER

A number of us were waiting in the small foyer of the Northcote branch of the Office of Corrections — all male, all under 40, all there for interviews with officers of the Department. Yet it occurred to me that even if Janet Farrow and I had not met before she would have little trouble recognizing me: I was the one without tattoos and moccasins. I was the one there voluntarily, not because of a court order. At the local hotel, where the two of us went for lunch, a dishevelled old lady greeted Janet Farrow, warmly. "A client found her lying in a pool of blood at the end of the street, just a few weeks ago," Miss Farrow explained. Over lunch I was told stories of families in such states of disorganization that violence, incest and alcohol abuse were their daily fare.

In her current position as Community Corrections Officer, Case Manager, and her previous work, including with the Anglican Mission to the Streets and Lanes in Melbourne's tough northern suburb, Broadmeadows, Janet Farrow, like most social workers, is exposed on a daily basis to society's underbelly: its misfits, pathologies and victims. It would make a less resilient person depressed, or cynical about the society which produced such progeny.

A sure road to early burn-out, says Miss Farrow, is to over-identify with your clients, take 'their side' against society, be victims together. "Are they victims?" I asked her. "Some of them *are* victims: victims of unemployment, poor education, broken homes. But turning to crime or drug abuse is a choice they make. It's not the choice made by most people, even those with the same disadvantages." Moreover, Miss Farrow argues, treating them as victims does not help them reform: it merely gives them an excuse for not facing up to the consequences of their actions. "Denial of responsibility is a major obstacle to change. They don't feel remorse because they won't admit they've done anything wrong."

'Victimology' was prevalent when Janet Farrow studied

social work in the mid-1980s (prior to that she had been a psychiatric nurse, specializing in the rehabilitation of drug users). Victimology treats the delinquent, the alcoholic, the wife-basher as the products of an oppressive social structure; the social worker is described somewhat demeaningly as "an agent of social control", someone who tries to fit people into the system rather than changing the system. "Those who believe in this essentially Marxist model should, logically, give up social work and join a revolutionary movement to overthrow the social structure," Miss Farrow says.

Marxism teaches the unity of theory and practice. But those who taught Marxism, when Miss Farrow studied social work, rarely had any actual case work experience. Fortunately, she had sensible teachers, as well. I mentioned to her the moves in the Victorian Education Ministry to return some bureaucrats to the classroom, sometimes after as much as a 20 year absence. According to a press report some were already claiming WorkCare because of the stress. In principle it seemed to me a good idea to give policy-advisors a stint in the classroom to experience first-hand the consequences of their policies. Some social work theorists, Miss Farrow agreed, could benefit from a taste of life 'at the front'.

A second dominant school of thought when Janet Farrow studied social work was the 'Californian existentialism' of Carl Rogers — what Miss Farrow calls "client-centred nothingness." According to this model, the therapist/social worker plays the role of a mirror to the client while the client works through his problem. The therapist must be passive and, above all, value free, so as not to impose his preconceptions on the client. "If the client says 'I feel suicidal', the therapist agrees. If he says his battered daughter 'asked for it', the therapist agrees. This is therapeutic nihilism," says Miss Farrow.

The so-called 'value-free' approach is based on a wrong diagnosis of the problem, according to Miss Farrow. "The last

thing needed by most of the people I deal with is for me to be 'value free'. Value-free is what they have already. Most of them are either under-socialized or socialized into an anti-social set of values and norms. Their sense of right and wrong is weak. If I also refuse to distinguish between the rights and wrongs of their behaviour I just compound the problem." The most constructive therapeutic role which the social work therapist can play in such cases, Miss Farrow believes, is to represent society and normality to the client. "Normally it is what is missing from their lives."

She described a case (names, of course, were not mentioned) of an offender whose crimes were relatively petty, but who repeatedly offended, even when on a CBO (a court order to complete a period of up to 500 hours unpaid community work or participate in educational, drug rehabilitation or other programs as directed). What makes him continually reoffend? In Janet Farrow's analysis, he is testing society's boundaries of right and wrong, like a child testing a parent, wanting to find the point at which the parent will say definitively 'No'. "Frequently, you'll find that males who are repeat offenders like this come from fatherless families. The law represents the father they never had." If the judicial system is seen as weak, if it refuses to say definitively 'No' and impose appropriate sanctions, then the offender will keep breaking the law until it does. In such cases, Miss Farrow believes, "a short sharp term in prison can be therapeutic." It can bring on the crisis in their lives necessary to induce change in a way that endless threats, talk and CBOs cannot. The effect of prison, of course, is not always positive, she adds. And in any case punishment is principally a question of justice, not therapy. But unlike some others in the helping professions, Janet Farrow does not see prisons as inherently evil.

Our conversation turned from prisons to schools. In Broadmeadows Janet Farrow observed the disruptive impact of a decision to integrate a child with a severe conduct disorder into a normal classroom. The 'progressive' view is that this is better than institutionalizing the child. But this, she believes is largely a case of middle-class progressives not having to live with the consequences of their ideas, which are felt not in the private schools of the Eastern suburbs, but in working class schools in areas like Broadmeadows. "The children and teachers in these schools are the real victims," she says.

Her belief that the social worker should "represent society" means not only telling the father who has interfered with his daughter that what he has done is shameful, but trying to instil in disorganized families a sense of self-respect. She mentioned the case of a grandfather of one such family who died recently and had been buried in an unmarked grave. Miss Farrow discovered that the deceased man had seen active service during the last World War. This provided her with an opportunity to talk to the family about the Anzac heritage and their grandfather's place in it, to induce some sense of family pride and of belonging to the Australian community. She contacted the RSL to see if they could assist with providing some recognition of the dead man's war service. In doing so she was attempting to connect the family to mainstream society. Frequently these families are poor, but material



Photo: Melissa Houghton

Janet Farrow: material poverty is not the main problem

poverty is not their principal problem; it is, rather, cultural impoverishment.

Professional intervention in family problems is not like, say, intervention by civil engineers to mend a broken sewer. For one thing it is usually messier. For another, family pathologies are often very complex; they can have long histories, being passed on from one generation to the next, like a congenital abnormality. I asked Janet Farrow about the success rate of social work intervention. "Generalizations are difficult," she replied. "It can depend on how radical the intervention is. You can solve a problem of chronic child abuse by removing the child from its parents. But placing an abused child in the custody of the state is a very serious step to take and one which may have even worse consequences for the child than leaving it with its parents. I am not saying that this step should never be taken, but you have to be careful that by solving one problem you don't create a worse one. It depends on the particular case and on making a whole series of very careful judgments. There is no easy formula that can be applied.

"At the end of the day you have to realize that to set your goals too high is to set yourself up to fail. In the end, you're only a very small part of these people's lives ... And Thank God for that," she added with a smile. ■



DES MOORE

When State Governments Exceed their Role

AUSTRALIAN history suggests that State Governments have a penchant for periodically wreaking havoc on the poor unfortunates whom they are supposed to 'serve': the over-borrowing of the 1920s, leading to the financial crisis of the early-'30s and the take-over of State debts by the Commonwealth, is but one example. But the present extent of political and economic turmoil at the State Government level must surely be unprecedented. Royal Commissions are examining or have recently examined the activities of State Governments or their leaders in five out of six States and there are implications of gross mismanagement or corruption — or both. The sixth State — New South Wales — has established a 'permanent' Commission to investigate corruption.

In two States — Victoria and Western Australia — one major side effect of State policy failures has been to kill off whatever confidence remained among businessmen and households after Federal economic policies had finished with them. In consequence, the economies of those two States have been the most severely hit by the recession. In Victoria's case, for example, the unemployment rate of 10.5 per cent in April exceeded for the first time the previous post World War II high of 9.6 per cent reached in mid-1983.

These developments have led to some revival of views that State

Governments are an anachronism. If we were to start from scratch, according to these views, we would have one central government and an increased number of 'regional' governments. Any such phenomenon is, however, so unlikely as to be unworthy of practical consideration — and it would not overcome the sort of problem that has emerged in recent years. For better or worse, we have State Governments and must try to get the best out of them.

Project Victoria

This is the approach adopted in the 136 page Report issued on 29 April by the IPA, in conjunction with Tasman Institute, *Victoria: An Agenda For Change*. The Report was prepared for 13 of Victoria's leading business organizations following an initiative taken by the IPA last year in the lead up to the 1990-91 Victorian Budget. We then proposed to the business organizations that they support and finance a report which would seek to identify the scope for overcoming the State's problems by avoiding increases in taxes.

That so many business organizations joined together to support such a project is probably unique in Victoria's history. Such organizations tend to shy away from projects that are clearly going to involve criticism of government unless the issues impinge directly and overtly on business interests. Full marks, therefore, to these organizations for recognizing that the general structure and

role of government are vital factors that determine the capacity of business to operate.

Of course, by the time the project started it was already too late to do anything much to stop the serious downturn in the Victorian economy; and the Government delivered the *coup de grace* by ignoring the "no tax increase" advice and budgeting for a 16 per cent increase in taxes in 1990-91 (on a "full year" basis the tax increases involved were, of course, greater than that). However, the Project Victoria Report aims to set the agenda for government policies to help the State's recovery and reduce the chances of a repeat performance in the future.

Already there are some signs that this is happening. The Premier has announced a major economic statement for June and has said that there will be cuts in spending and no further increase in taxes. The near certainty that this statement will not even meet the short term objectives enunciated in the Report — a cut in recurrent spending of at least \$1 billion and no net borrowing by the public sector in 1991-92 after deducting asset sales — does not detract from the fact that it will be moving in the right direction of reducing the size of government. Premier Kirner has indeed become Keatingesque in her preparedness vehemently to deny the feasibility of further spending cuts on one occasion and then subsequently to announce that that is precisely what she intends to do. Whether her performance remains as poor as Mr Keating's remains to be

seen.

The basic rationale of the Report is that the problems of Victoria have emerged because of a failure to recognize the inherent flaws in government playing a major role in the economy, whether as a monopoly supplier of goods and services, as a "picker of winners" and provider of assistance to the chosen few, or as an economic manager purporting to guide the economy down the path of continuous growth. The argument by the apologists — that it was a matter of poor implementation — simply won't wash. That is akin to the argument that communism was never really tried in Eastern Europe.

The apologists have failed to understand that there is now a well-recognized phenomenon of 'government failure' that is an almost inescapable characteristic of government intervention. Thus, where it operates as a monopoly supplier, government is susceptible to 'capture' by its employees, leading to over-staffing and/or low productivity. With a powerful State trade union movement having a strong leftist approach, successive Victorian Governments have been particularly prone to such 'capture'. Not surprisingly, Victoria has a considerably higher proportion of its population in the public sector than NSW — equivalent to around 35,000 'excess' public servants.

Because politicians know that there are votes in spending more on this or that particular service, they may also be 'captured' by well-organized pressure groups. If such spending is financed by borrowing, the immediate additional cost to each individual in the community is small and little opposition will be aroused until the cumulative effects start to be felt in higher taxes. Not surprisingly, Victoria's per capita spending is well above the level needed to provide services at the average for the other States, and its debt servicing costs take 22 per cent of total public sector revenue, the highest of any State.

Equally, government assistance to selected industries or companies opens up the potential for such aid to be

'captured' by those who would not otherwise be able to survive in a competitive market. Not only will this involve an *inefficient* use of resources; it also inevitably leads to a high proportion of complete failures as the assistance turns out to be insufficient to overcome the natural lack of competitiveness. The vulnerability of such 'winners' is, however, often not apparent until the economy starts to slow or go into recession. The failure of the 'captured' VEDC and of the merchant banking arm of the State Bank (Tricon), as well as (but to a lesser extent) the State Bank itself, indicates the problems that inevitably arise with such a strategy.

Failed Economic Managers

But it was as an attempted economic manager that the Victorian Government created possibly the greatest problem. This 'management' involved the pursuit of 'Keynesian' type policies, supposedly making the rate of capital investment responsive to the state of the economy and the economic cycle even though the 'leakages' overseas and to other States from 'pump-priming' an individual State's economy would be high. The repeated assertions that Victoria was out-performing the rest of Australia reinforced the perception that the Victorian Government was almost 'guaranteeing' economic performance. Business and community confidence was so enhanced that business risks seemed to be reduced and risk-assessment procedures were minimized. It is scarcely surprising, therefore, that this led, temporarily, to higher levels of spending and employment in Victoria than in other States.

However, as with all 'guarantees', once the guarantor is seen to be fallible there is a reversal of the confidence-enhancing process that was, in reality, never sustainable. And, because of the Victorian Government's pervasive role in the State's economy, that reversal had effects which spread throughout the economy. Victorians had too many of their eggs in one basket

— the Government basket.

Victoria's disastrous experience with government intervention during the 1980s must surely serve as a model. There is now both an opportunity and a need to implement a major reduction in the role of the State government — to shift more eggs into the private sector basket.

The Project Victoria Report adopts a three-fold approach to this, by advocating:-

- reductions in current government spending by eliminating over-staffing and inefficiencies but without reducing the quality of services;
- the replacement of government by the private sector in providing part or all of a wide range of existing services, including education, health, public transport, electricity generation, ports, water supply, banking and insurance;
- the establishment of a new financial framework within which the State Government would operate, in particular by amending the State constitution to require budgets to be balanced. Just about every American State has some such provision, the object being to deter politicians from promising 'goodies' now but paying for them later by increased borrowings.

Above all, the emphasis is on establishing a more competitive framework within which existing services would be provided. This would reduce the excessive costs faced by the private sector over which it presently has no control and help ensure a better standard of services overall. In due course there would be a substantial reduction in the burden of State taxes.

While the Report was prepared for Victorian business organizations, it is relevant to other States also. The time is ripe to implement major reductions in the monopolistic role of State Governments. That would benefit the business community and people generally. ■

Through a Glass, Darkly

Could Papua New Guinea and Australia be at different stages along parallel paths?

JAMES BYTH

UNTIL now, it was possible to ascribe the general Australian official and media avoidance of Papua New Guinea matters as one of general ignorance and neglect. No longer. The Australian Auditor-General and a Canberra-resident academic, Mark Turner, have belled the cat.¹

Could it be that PNG's major problems are those of Australia writ large? Both countries have the same undue reliance on bureaucratic method rather than encouragement of individual enterprise. Both countries have an inflated public sector. Both countries have a high propensity to import. Both overspend on public education relative to outcomes, and PNG parents are as alive to the gap as Australian ones.

Both nations are heavily indebted to overseas lenders. PNG's debt service burden at 30 per cent is not unduly worrying for a country which admits it is in the Third World; Australia's at 20 per cent is highly worrying for what we now are — marginally in the First World, credit rating falling, even more highly exposed than PNG to any general world downturn in commodity prices. Unquestionably, we are, as the Business Council of Australia said in December, approaching the 'danger zone' at which overseas lenders take real alarm. PNG is already there, receiving a 'mild' dose of World Bank medicine, with not very promising signs of recovery. Can Australia be far behind?

The economies of both countries are relatively unproductive. This is not because either Australians or Niuginians are generally dumb or lazy. It is at least partly because, for more than a generation, the most satisfying and risk-free rewards have come from other than market activity. That is as true in Port Moresby as in Canberra: the "public service as pace setter" infection predates PNG independence by more than a decade.

At village level, many of the communities of PNG are to a high degree entrepreneurial, diversifiers, and in many cases capitalist accumulators and spenders. Richard Turner precisely notes "Of 87 food and narcotic crops found in one Eastern Highlands village in 1984, 52 were introduced since

contact with outsiders in 1928." Much PNG farming is subsistence gardening, but gardeners are characteristically quick to recognize new cash-crop potential. It took only one air-freighted shipment of Townsville avocados to Bougainville's supermarket in 1971 to start the flow of smaller but much better-tasting fruit into the locally-supplied grower markets. Once quiet informal 'deals' between migrant Highlands groups and resident titular landholders were allowed to proceed, Port Moresby began to have its own fresh vegetables.

Expanding Bureaucracy

Beyond the village, matters are very different. The growth of the bureaucracy long predates independence. Turner notes that less than 4,000 public servants in 1970 had exploded to 20,000 by the end of the decade. That growth has continued since independence. Turner emphasizes the huge political difficulty in cutting back the present total of some 50,000. Auditor-General Taylor presents a similar picture: "as a legacy of its colonial past, PNG has inherited an excessively large government sector and a wages structure that is not sustainable for a developing country striving to become competitive on world markets." Can PNG achieve savings in the public sector targeted at nearly \$A100m in 1990 alone? Taylor's report says "it remains to be seen whether they can be implemented." We too know about rubbery Razor Gangs, a truly bipartisan Australian artefact!

Wages structure: Turner states the bald facts blandly. In 1988, the city labourer got K51.33 for a week's work, the plantation labourer got K19.14. Public servants clustered in cities, especially in Port Moresby and Lae — just like those in Canberra — of course earn very much more than a labourer. The blatant skewing of jobs and income between urban and rural areas is no more than a foretaste of a possible Australian future. Taylor sees this very clearly, both in economic and social terms. "Wages in PNG are markedly out of line with productivity and wage levels in comparable developing countries.

1. Mark Turner, *Papua New Guinea: the Challenge of Independence. A Nation in Turmoil*, Penguin Australia. The Auditor-General, *Audit Report No. 13, 1990-91. Australia-New Guinea*, AGPS, Canberra.

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High relative wages are a key cause of the lack of diversity in the economy and of the inability of PNG industries to match foreign competition ... the gap between urban and rural wages doubled in the 1970s and has since been maintained through the indexation system." Neither Turner nor Taylor identifies the chief Australian encouragers of these unintended — though entirely foreseeable — consequences, not least among whom were the young R.J.L. Hawke, A.S. Peacock, and Ian Macphie, each with the best of intentions.

Urban drift, youth unemployment, rascal gangs and an increased need for household security are the social results. Diplomats and other expatriates are not the prime targets of the crime epidemic. As in the suburbs of Australia, "Indigenous residents are the predominant victims of thieves, gang rapists and bashers."

Poor Quality Education

In education, the disturbing comparisons continue. Most job entrants in PNG are poorly trained by other developing country standards; the cost per student is higher than in comparable developing countries. The pattern is unequivocally Australian and, somewhat optimistically, Taylor favours Australian assistance to rationalize the number of institutions and improve the quality of education. No track record is given! But then he does quote on the same page (105) the caustic remarks of Dr Graeme Dorrance that PNG universities are staffed by nationals "many of whom have not had the opportunity to experience international levels of education, or by rejects from overseas education institutions." Everyone with recent acquaintance of many Australian tertiary institutions will recognize that we have a problem shared.

High-income PNG parents increasingly send their children to fee-paying 'international schools' in their own country and, where there is the money, overseas. That, after all, is where many of the same parents gained their rapid promotion up the social and occupational ladder. It is not by any means only expatriates who are responsible for the fact, noted by Turner, that "PNG money ranks as the fourth largest investor in Queensland real estate."

Turner's book is methodical, at times soporific in its careful detail. It stands with the best (British via The Philippines) expatriate advice to young graduates in our neighbour nation. Like his other colleagues at AdCol (the PNG Administrative College), Turner has done more to encourage good government in PNG than most. The clear message, that Canberra ways are not the only or the best, recurs — as it also does in Sean Dorney's much more colourful recent book, *Papua New Guinea* (1990). Turner also says rightly that PNG has made more progress in restricting public service growth than some other ex-colonies.

In a memorable parallel for any Australian outback town, Turner notes: "Rural populations have come to expect less and less from government employees. They see public servants who do not serve the public. The typical impression of a public servant is somebody who comes in a vehicle once

in a while, stays a very short time, and then disappears in a cloud of dust."

Both Turner and Taylor are occasionally too trusting of government forecasts. For example, each appears to agree far too easily with comforting projections that new gold and oil finds will proceed unhindered and replace the yawning financial gap and narrowness of export categories which are the consequence of Bougainville's inoperative mine and the inexorable fall in copra/cocoa quality and prices.

Even if Dr Colin Filer is only partly right in forecasting landowner demands for ever-increasing shares of natural resource revenue as a natural consequence of PNG societal and generational structure, there must be grave doubt that the earlier Hawke-Wingti hope of a phasing out of Australian budget support by 2005 is in the least capable of achievement.

But who would today heroically assume that by 2005 the value of the Kina and the Australian dollar will remain at their present levels? Or that the Australian taxpayer will remain long-suffering?

Taylor is right when he says:

"...The \$A4 billion expended on aid to PNG since independence has had very little impact on improving the quality of life of the vast majority of PNG inhabitants who live in rural areas (85 per cent).

"ANAO [Australian National Audit Office] is concerned that there is very little to show for (this) expenditure. ANAO is equally concerned that if the status quo is allowed to continue, billions more, before budget support is phased out, could be expended for very little apparent results in many important areas of need. It would appear that the major beneficiaries of Australia's aid program since independence have been those employed in the public sector.

"ANAO considers it would be unacceptable to the Australian public that the plight of so many Papua New Guineans has remained virtually unchanged over the 15-year period since independence."

But are these problems peculiar to PNG? More than a few Australians in PNG have had the disquieting experience of hearing from local friends: "WE know how to look for *wantok* corruption; YOU have gone along quietly with a fully bipartisan system of unfunded superannuation for MPs and the public service. You didn't think a new Third World country could afford it. Can YOU?"

As the saying goes, feeding scarce corn to horses is the preferred equine route to minimizing pigeon starvation. Australians will be shorter of corn than usual in the years ahead. Most PNG people at least still know how to garden. Both are likely to begin thinking about just how much a public servant is really worth. The IMF tends toward a dislike of old Baltimore jokes like "Be thankful you're not getting all the government you are paying for." But then, old jokes and old proverbs often have timely truths behind them. ■

Grand Designs will not aid Pacific Security

The Americans have rightly attempted to throw cold water on Senator Evans's proposal of an Asia-Pacific security arrangement.

DAVID ANDERSON

OUR present Foreign Minister has been the promoter of a number of constructive foreign policy initiatives. The Asia-Pacific Economic Co-operation Organization is one. Another is the Australian proposals for a Cambodian settlement. These initiatives have — deservedly — had some success.

Senator Evans's ideas about an Asia-Pacific regional security system have been less well considered and less successful. American reactions have been adverse, and those of South-East Asian governments have been, at the least, reserved.

The genesis of the Minister's approach can probably be found in his Ministerial Statement of December 1989 on "Australia's Regional Security". In the section on Great Power Relationships, Senator Evans observed that "it would not be useful to assume that the United States will continue to maintain its present level of security and activity in this part of the world."

The note of caution is unexceptionable as far as it goes. The US is already scaling down its forces in the region. With the Gulf War over and the American economy in recession, pressure for a large peace dividend is likely to continue. If a satisfactory agreement is not reached on the Philippines bases, American capabilities will also be affected. The prospect of a diminishing American presence has already led to something of a regional arms race involving not only major powers like China, Japan and India, but also our South-East Asian neighbours.

It was apparently against this background that Senator Evans first began to play with the idea of a Conference on Security and Co-operation in Asia on the model of the European CSCE, which includes both NATO and former Warsaw Pact countries. "Why," he asked in an address at Monash on 19 July last, "should there not be developed a

similar institutional framework — a CSCA — for addressing the apparently intractable security issues which exist in Asia?" While recognizing the far greater difficulties and differences involved, the Minister suggested that "new European-style patterns of co-operation between old adversaries (could) find their echo in this part of the world," with "imaginative new approaches to confidence-building and problem-solving." A process of dialogue should be engaged in, both bilaterally and regionally, with constant efforts "to make all the individual strands of the web both denser and more resilient, so that sooner or later a base will emerge on which more systematic security co-operation can be built."

Soviet Interests

Not entirely without reason, the Americans feared that this idea might play into the hands of long-standing Soviet proposals for a comprehensive Asian security organization; and that this would assist Soviet efforts to promote a naval arms control regime in the Western Pacific, where American naval superiority offsets Soviet continental power. In deference to American objections, Senator Evans toned down his references to the subject in a speech at the University of Texas in October. Even so, in a letter sent to Senator Evans on 19 November, the US Secretary of State noted that the remarks had been "heavily peddled", misrepresented and taken out of context by the Soviet Foreign Ministry spokesman. Mr Baker continued to have "serious doubts" about the idea of a regional security dialogue or Helsinki-type process for Asia.

Senator Evans has now retreated a little further. In his address to the Trilateral Commission in Tokyo on 24 April he acknowledged that the CSCE process could not be "simply

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recreated in the Asia-Pacific environment." But he envisaged, nevertheless, a translation from Europe of "the relevant habits of mind," with closer exchanges between traditional adversaries, greater transparency in military arrangements, confidence-building measures like joint exercises, and growing interdependence among regional countries. The body of the Cheshire Cat had disappeared, but the grin was still there.

More than that, Senator Evans seemed to contemplate an eventual — albeit distant — fading away of "traditional alliance relationships", which were seen as providing "a very helpful transition mechanism" as the process of confidence-building moved forward. Although Senator Evans also reaffirmed Australia's full commitment to the Western alliance, these passages might — in view of American misgivings — have been more felicitously phrased.

In a *Worldnet* Dialogue on 30 April, US Deputy Assistant Secretary of Defence, Carl Ford, was asked whether Senator Evans's modified approach to regional security was now acceptable to the US. He declined to comment directly but repeated that the "notion of a CSCA ... doesn't seem to make very much sense to US security interests." More emphatically, in testimony before a Senate Foreign Relations Subcommittee on 17 May, US Assistant Secretary of State Solomon described "some of the collective security proposals we have seen" for Asia as "solutions in search of problems."

Co-operative Vigilance

A certain amount of common ground can perhaps be identified between the Evans approach and the current American doctrine of "co-operative vigilance." This, according to Mr Ford, does not mean a balance of power or the US serving as regional policeman, but "the creation of a network of balanced security concerns to which each nation contributes." Co-operative vigilance looks to improved access for US forces throughout the region, more joint exercises and increased co-operativeness in the security arena among America's regional allies and friends, but also to "recognition by the developing and peace-loving nations of the region that it is in everyone's long-term best interest to avoid a regional arms race or resort to armed conflict."

Where the Americans and Senator Evans part company is the extension of this pattern to embrace the Asian 'socialist' countries. Even here, although without referring directly to Senator Evans's ideas, Mr Ford says that he has no substantive objection to proposals for the integration of the Asian 'socialist' countries into the wider Asian community through primarily political and economic means. It is, of course, the security dimension of such a community which the Americans find unacceptable — although Ford does not exclude a form of subregional dialogue limited to the US, USSR, Japan, China and the Koreans as a means of resolving the very serious problem of North Korea's nuclear development program.

One CSCE element which has not been explored in Senator Evans's statements is the "Third Basket". A regional security organization with a charter for examining the observance of human rights and fundamental freedoms would not be likely to excite enthusiasm among our South-East Asian neighbours, let alone the Asian 'socialist' countries. Important as the cause of human rights is, Senator Evans would be well advised at this stage to leave the Third Basket firmly locked into the kitchen cupboard.

The Minister is right to look to the future and to have in mind the need for new approaches to regional security as changes occur in our strategic environment. But initiatives in this sensitive area need careful preparation, consultation and timing rather than the haphazard launching of trial balloons which are liable to be shot down. And despite the force cuts now in train, the United States remains firmly committed to its security role of "regional balancing wheel" in the Western Pacific. Its economic interests alone will ensure the continuance of that commitment for many years to come.

For the foreseeable future, therefore, it would be prudent to give priority to our "traditional alliances" while broadening and deepening relationships with our nearer neighbours. We need to keep the longer term in mind, but not to lose ourselves in a grand design whose achievement is beyond our present capacity. ■



Pacific trade: more promising than security as a basis for regional co-operation.

The Myth of a Pacific Community

BETWEEN 1965 and 1986, as Gerald Segal notes in his comprehensive survey of the region,¹ the economies of the Pacific grew from just under 35 per cent of world GDP to just under 50 per cent. Their success, based mainly on the economic dynamism of Japan and the four 'Tigers' — the Republic of Korea, Taiwan, Hong Kong and Singapore — has prompted a great deal of rhetoric in recent years about the importance of the Pacific Rim, predictions that the next century will be the Pacific Century, and generalizations about an emerging Pacific Community.

Euphoria of this sort probably reaches its peak in another recent publication — Simon Westchester's entertaining but less persuasive book, *The Pacific*. He writes: "Deep, deep down, on a level only recognized by hints and murmurs, an inchoate, undefined sense of oneness, of coterminous identity, is growing among some of the peoples and some of the places of the Pacific. It cannot be quantified, nor described; if it exists, it can only be felt."

To Mr Segal, this would be baseless mysticism. It is his central theme that "thinking of the Pacific as a separate region has never made much sense, and will make increasingly less sense." The first part of the proposition is argued convincingly. The prediction is perhaps a shade less certain.

Mr Segal examines first the cultural and ideological factors and forces in the Pacific, assessing successively the patterns of language, religion, ideology, tourism, migration, the arts, social affairs and communications. In all these fields he finds that the region is fragmented, that such "lines of influence" as traverse it are mostly bilateral and isolated, and that "while there is an overlay of some common features, these are the result of globalism and global interdependence rather than the creation of a Pacific community." This analysis is impossible to dispute: the region obviously enjoys no common cultural and ideological heritage comparable with that of Western Europe or the Atlantic community.

Turning to the military or security dimension, Mr Segal argues that conflicts in the Pacific are "best explained either in terms of sub-regional issues, or else with reference to broader, global aspects of the superpower balance." He acknowledges a number of distinctive features, including a trend towards multipolarity, a reduction in military conflicts and the emergence of an informal type of arms control in east Asia. But these do not constitute "a coherent, region-wide pattern." Here again the conclusion is incontestable: not only is there no Pacific NATO, but there is no basis for one.

In the economic field, likewise, Mr Segal finds the pattern very different from Western Europe or the Atlantic, more complex and unequal. There are "some possibilities for growing Pacific-wide economic interactions", but the most important parts of the region are more enmeshed in the global economy. For both Japan and the United States, which together accounted for 70 per cent of total Pacific GDP in 1987, the trend has been towards a greater concentration on the global economy. Few countries — Australia being an

exception — trade with a wide range of Pacific states. The economic success of particular Pacific states is due less to their place in the region than to their ability "to play the global game."

While acknowledging the importance of the Pacific, both for its economic successes and for the new ideas it can offer, Mr Segal concludes that it is not a coherent region compared with Western Europe or the Atlantic community, and that its significance is "best understood in the context of global trends in international ideology, security, and economic affairs." The idea of a Pacific Economic Community is an opportunity "now long past"; interdependence is the trend of the future, but it will be global, not Pacific-wide.

Eurocentric as Mr Segal's approach sometimes seems to be, he has made a valuable and timely contribution to discussion of the significance, present and future, of the Pacific as a region, cutting away with painstaking and accurate analysis the accretions of myth, sentimentality and wishful thinking that surround the subject. In its scope, detail and logical presentation, *Rethinking the Pacific* is an impressive achievement.

Mr Segal may be rather too dismissive, however, of the prospects for regional economic co-operation. *Rethinking the Pacific* was, of course, written before the establishment of the Asia-Pacific Economic Co-operation Organization (APEC), but it looks at the problems involved in earlier or sub-regional groupings, including those of membership, of leadership and inequality among the partners, of producing an acceptable agenda — all of which still bedevil APEC. As Mr Segal argues, closely integrated co-operation along the lines of the European Community is unlikely to develop in the region, and APEC's present objectives are necessarily very modest. It has nevertheless begun to function as an organization committed to the liberalization of trade within the region, to consultation on the Uruguay Round and with a work program embracing seven practical projects, with more to come. APEC was taken sufficiently seriously by the European Commission for the EC first to express opposition and then to seek to join it. It would have a larger role to play in the event of a breakdown of the GATT, or if the EC adopts increasingly inward-looking and protectionist policies. And ideas, as the success of the EC itself demonstrates, can acquire a life and momentum of their own, modifying over time the conditions which initially obstruct their realization.

Mr Segal pays tribute to our immigration policy. He also suggests that our "no worries" culture, with its emphasis on quality of life, may prove a more useful contribution to Pacific culture (his use of the term here, incidentally, is oddly at variance with his central thesis) than the 'frenetic' East-Asian model. This, of course, comes at a price. For he also notes that as our economy has 'faltered', so has our ranking in Pacific trade, with our share falling from five per cent in 1980 to four per cent in 1987, and Singapore moving ahead of Australia into seventh place. ■

— David Anderson

1. *Rethinking the Pacific* by Gerald Segal, Clarendon Press, 1990.

Goodbye Marxism, Hello Cultural Studies!

Australia's intellectual left has donned a new set of clothes — or is the new garb merely recycled remnants? Myles Breen endured two conferences to find out.

MYLES BREEN

IT hasn't been a good decade for the morale of the average run-of-the-mill university-based left-leaning intellectual. The last few years have been particularly challenging. Tiananmen Square in June 1989, the fall of Eastern Europe in 1990, the Soviet troubles and the recent triumph of American military force in Kuwait have cast a pall over the predictive value of staffroom bull sessions throughout the country.

When Mr Hawke crushed the pilots' strike by bringing in the military, by subsidizing the airlines so they could keep associated unions on the payroll, by changing the immigration laws to bring in American pilots, and encouraging the employees to sue individual strikers, the party line was: "Well, you couldn't call the pilots a real union, could you?" Yet one could sense the unease. This was a Labor Government. What would the Libs do when they got the chance?

With all this cold comfort for the left, one wonders about their future in the academy. There are a few straws in the wind to indicate where the left-leaning intellectual is headed.

For example, a group of academics met in Western Sydney early last December to inaugurate a Cultural Studies Association in Australia. Attending the conference, I soon realized that old lefties never say die, they all migrate to Cultural Studies. Apparently Marxism, the opiate of the intellectuals, is losing its kick, and needs to be supplemented by a new designer drug from abroad.

The Inaugural Conference

The conference was a learning experience. After being battered for a half hour by the monotonous repetition of such terms as 'over-determination', 'synchronic', 'diachronic', 'post-modern', 'structuralism', 'post-structuralism', 'metatext', 'paralogic', 'logocentrism', 'de-centred', 'alterity', 'valorization', 'non-referential' and 'deconstructionism'

delivered by a reader, head down at a lectern, one has learned what communication pathology entails.

Not that the jargon is untranslatable. On the contrary, after few repetitions, one gets into the swing of things. I found speakers like to use phrases such as "the warp and the woof of the diachronic and synchronic in the text." I began silent simultaneous translation, imagining myself at the United Nations. But I realized that if I said, "we can look at this subject over time or deal with it on any given date", it wouldn't have the same ring to it. Also, "events can be examined either in sequence or simultaneously" sounded so bourgeois (a devil word).

The most frequently used new devil word at the conference was 'patriarchy'. I have not heard such powerful magical incantation since I heard 'fascism' spat out by some communist friends I knew in the '60s. In one presentation, I counted 41 bad 'patriarchy's' as in "racism, sexism and patriarchy." Sitting in the back row, I imagined a smiling Bill Cosby strolling behind the speaker doing his inimitable version of a pimp roll and flashing his best-selling *Fatherhood*. But he was a figment of my imagination and solemnity reigned.

This was no situation comedy. It was anger time. For example, on a rather conventional discussion of the Sunday morning radio show *Australia All Over*, a participant said she had stopped listening because of the sexist and racist attitudes evidenced by the program. She also objected to rural people's attitude to animals. Sure, the program tried to protect wedge-tailed eagles and Major Mitchell Cockatoos, but country people still killed rabbits.

I felt very old as I remembered Dr Evatt on the radio promising a million pounds to the person who could rid Australia of the rabbit plague. Myxomatosis had done its dirty work before the young protester from the city was born, I expect, and I mused on the burden of age. Still, Herbert Vere Evatt's name was mentioned reverentially several times at the

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conference. Could I mention Dr Evatt wanted to kill the rabbits? I decided against it as there were 20 enthusiasts between me and the door.

A Growth Area

The establishment of a Cultural Studies canon seemed to be as important to many of the academics at this conference as import substitution is for Paul Keating or John Kerin. Indeed, it was much more than a topic of interest. Cultural Studies was seen here in Australia, as in America or Europe, as a 'growth area'. In the last couple of decades, the procession of French luminaries onto American campuses for highly publicized tours has been a notable feature of the academic scene. Christian Metz, Michael Foucault and Jacques Derrida, for example, have made an impression far beyond the ostensible purpose of their visits, and indeed have set the fashion.

This fashion includes the idea that ambitious academics spy a coming boom in student demand. If this demand is properly identified, it can be exploited so one can make a career or sell a textbook.

The inaugural Cultural Studies conference held in Western Sydney was modelled on an overseas conference, 'Cultural Studies Now and in the Future' held at the University of Illinois in the first week in April last year. The American conference, which I also attended, was widely-accepted as an attempt by the organizers, Larry Grossberg, Cary Nelson and Paula Treichler, to establish a canon for American Cultural Studies for the next decade.

As the report in the *Chronicle of Higher Education* had it, some conferees charged that:

"the meeting literally was intended to 'write the book' on Cultural Studies. Professors affiliated with the University of Illinois unit for Criticism and Interpretive Theory organized a similar conference on Marxism on culture in 1983, out of which came a widely-read anthology. The organizers of the cultural studies conference plan a similar book."¹

But the conferees at the American conference were not as passive as their Australian counterparts. The organizers, who themselves called for radical change in society, were faced with disruptive protesters in large lecture sessions.

In a way, it was ironic to see a pioneer in the field, Stuart Hall, a scourge of Thatcherism and a proponent of the disbursement of power, being harassed by an angry protester from the floor. He made a plea for courtesy and for the most part sat at a desk with his head in his hands while participants protested the hypocrisy of the conference. Criticism was aimed at the organizers for their elitism, exclusivity, and their unwillingness to reflect on the power relations involved in the organization of the conference.

Clearly this was not simply the classic case of young Turks becoming the establishment and being themselves, in turn, overthrown by a new generation. Rather this was a case of theoreticians of revolution coming face-to-face with the

consequences of their theory. One needs to appreciate the tension involved in a movement which requires a direct link between academic work and political change. High among the demonology of the radical Cultural Studies enthusiasts is "political quietism in the academy", so they naturally called to account the established leaders in their own movement.

The problem voiced by the conference participants was that the conference itself was a model of conventional society, with no mechanism for individual expression or action. Only the elite invited speakers were allowed the stage, and even the questioning from the floor was controlled by monitors with 'secret service-type' headphones. The critics claimed that the Cultural Studies movement had become co-opted by the academy, that the scramble for jobs, push for tenure, and all the other facets of the academic rat-race had institutionalized the movement.

Crossing Boundaries

The purpose of Cultural Studies scholarship, as practised in the United States, is to make explicit the connection between cultural activity and the political world. This type of thinking is old hat in Europe, where, for example, in France, Political Science and Economics are not necessarily split. Nor is it new in Australia. It is still new and fascinating, however, to the current generation of American college students. Perhaps there is momentum for Cultural Studies in Australia simply because we tend to follow American educational fashions.

In an academic culture, scholars outside their areas of expertise are considered laypeople, yet Cultural Studies as a field is so inter-disciplinary it would be difficult to say which of the established fields such as Anthropology, English, Journalism, Linguistics, Literary Criticism, Political Science, Popular Culture, or Sociology are most central. In a sense, all of the scholars who choose this area are laypeople, in that they are outside their area of expertise, hunting without a licence as it were. Because no one can legitimately criticize Wilbur Wright for taking off without his pilot's licence, the field of Cultural Studies is welcoming to many pioneers.

In crossing the boundaries of disciplines, Cultural Studies uses the tools and techniques of the social scientist as well as the eye of the humanist. This is a practice which does not seem to build credibility with either social scientists or humanists, even though they may take their respective stances for opposite reasons.

At the end of the spectrum one can include a paper by Stephen Horn and George Carrington, 'Development of an Australian Cultural Statistics Database' which was given at the Australian conference. From their work came a government document: *The Australian Cultural Industry: Available Data and Sources* (Second Edition, 1990). Data concerning museums, music, radio, film, video, books, theatre and so forth are available in abundance. For example, one can find out that the average weekly hours spent listening to commercial radio in 1987, from 5.30am to midnight, Monday to Sunday, for a population aged 10 and over was 22.7 hours in Sydney. To

some it may seem surprising that the average Sydney resident listens to commercial radio three hours per day. To others not at all surprising. The isolated datum does, however, cry out for a context, and the speculative wing of the Cultural Studies movement is only too willing to provide it.

If the Carrington and Horn paper exemplifies the positivist end of Cultural Studies, it is hard to choose an example from the other end of the spectrum — the abstract, theoretical end. Perhaps the farthest out exemplar of the movement can be found in *Postmodern Culture*, which bills itself as “an electronic journal of interdisciplinary criticism.” While you can subscribe to this scholarly journal from North Carolina State University through the mail, it is designed for scholars who use a computer and a modem and has 900 subscribers worldwide in this mode. Articles are submitted, refereed, edited and disseminated using electronic mail, and readers interact with the author and each other using electronic bulletin boards.

Taking an abstract from Volume 1, Number 2 (January 1991) is illustrative. The author was Greg Ulmer and the title ‘Grammatology Hypermedia’:

“This essay examines the metaphors organizing user interface in hypermedia (especially the image of navigation through an ocean of information). It is organized as a montage sequence, simulating a series of links passing through an archive of data. The montage includes citational chunks on colonization (Columbus’s voyage, the overland trails) juxtaposed with chunks on hypermedia, and on writing by means of collage, allegory, and series.”

That is about half the abstract, but I trust it is sufficient to give a picture of the style and content of a theoretical article.

Taking titles at random from the Australian conference might further illustrate the preoccupations of academics pursuing Cultural Studies. These include: “Consensus Politics and Australian Political Culture”; “The Mickey Club Syndrome” and “A Lacuna in Australian Thought: Space As a Determinant of Practice and Policy in the Australian Media.”

The theoretical approaches most common in Cultural Studies include Marxism and feminism mixed with mainstream literary criticism. While this mixture tends to alienate established scholars in many traditional disciplines, it seems to be thriving. ‘Refugees from lit-crit’, ‘opportunists’, and less repeatable epithets can be commonly heard on North American campuses to describe the movement. Undoubtedly, Australian critics will find a similar voice.

From abroad, one can find many disdainful references to Australian Cultural Studies scholarship. Over 10 years ago, Paul Feyerabend described the “vulgar Marxists” from Sydney University as “Southern rhapsodists” who know the vocabulary but not the philosophy.² A well-known Australian Cultural Studies proponent, Graeme Turner, has quoted Ian

Eng, another luminary, about the left academics living in Australia but talking about Birmingham.³ While Turner was quick to say how well Australian scholarship was seen abroad, the number of British scholars in the area in Australia speaks for itself.

That leads us to the important question of what is unacceptable? What is to be excluded? What is outside the domain of Cultural Studies? The answer I have been given is that Cultural Studies is self-referencing. The boundaries can shift. They are purely arbitrary.

A current criticism of Cultural Studies (coming from those on the left as well as the right), is that it is fast painting itself into a corner — theorizing about theorizing, guilty of obscurantism, remote from real life. This view explains and reflects the left’s loss of relevance rather than provides a way out of it.

From the University of Illinois experience I can only assume that in an American academic system, the Cultural Studies movement is inherently unstable. A critic might see the Australian conference, despite it being opened by Donald Horne, as a cut-rate, out-of-phase, carbon copy of the American model minus the protesters. Australian Cultural Studies is derivative. Surely it isn’t necessary to go to Urbana, Illinois, via Birmingham to see what is happening in Australia.

The problem is, simply put, at the end of the day what do you have with Cultural Studies? What is it for? What is the use of it? How does it help?

On one hand, the critics see Cultural Studies as a mish-mash of speculation and leftist ideology which might be accepted for publication in a kind of vanity press environment. After all, a cynic may say, most scholarly journals in the humanities are for writing in, not for reading. Their *raison d’être* is to provide articles for lines in a scholar’s *vita*. If books are adopted as texts and forced on captive students, a scholarly reputation can be enhanced, even if there are no fortunes to be made.

One might cavil at this bleak description. Clearly, many disciplines can find space in Cultural Studies, and the work of people publishing in the Cultural Studies movement might be accepted as valuable by the established disciplines, and co-opted into those disciplines. Furthermore, if the critics are right, the growth potential alone could guarantee a great future for Cultural Studies given the current state of the Australian academy. ■

Notes

1. Scott Heller, ‘Protest at Cultural Studies Meeting sparked by Debate over New Field’, *The Chronicle of Higher Education*, 2 May 1990, pp. 10-11.
2. Paul Feyerabend, *Science in a Free Society*, London: NLB, 1978, p.155.
3. Graeme Turner, ‘Dilemmas of a cultural critic: Australian Cultural Studies Today’, *Australian Journal of Communication* 16, 1989, p.5, p. 12.



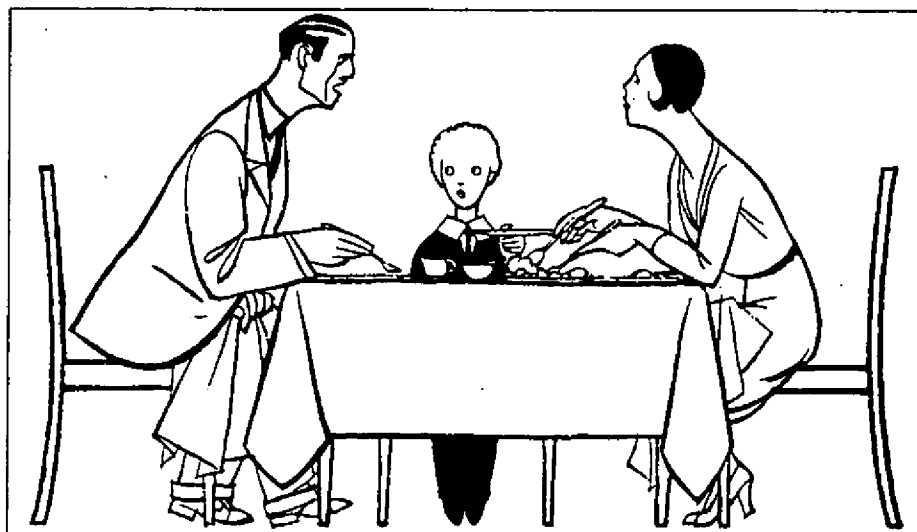
LEONIE KRAMER

Language Rules

THERE has long been a debate between those who champion correctness in language, and those who either take the view that near enough is good enough, or insist that, since language usage changes over time, correctness is an illusory concept. The latter are fond of pointing out that Shakespeare's name is spelt in various ways and that Queen Victoria said "ain't".

Professor Stephen Knight joins the ranks of those who jeer at sticklers for correctness in an essay called "Between You and I and the Apostrophe" in his collection *The Selling of the Australian Mind*, published last year. Jeff Kennett is quoted as saying, in conceding victory in the 1988 elections, "I congratulate he and his party," and Knight, while sneering at him as a "non-leader", is prepared to defend him for "projecting a common usage", and on the grounds "that there was historical precedent for what he said, that he was probably predicting the future of the language", and that "he had enshrined grammatically a feature of the modern concept of the personality." Congratulations to Stephen Knight for a splendid example of over interpretation, which is in itself one of the more irritating features of much contemporary critical analysis.

Perhaps the most revealing aspect of this essay is its haughty assumption that anyone who defends correctness is an 'alarmist', while their opponents are not just "more relaxed about language" but "familiar with Shakespeare's language



habits and a number of other linguistic realities." They are, in a word, linguistic experts, "Calm about the apparent problem of errors in language", confronting "some popular guru lamenting an aspect of language." No further analysis of Knight's own language is needed to demonstrate his method of argument, which is to set up a false opposition, declare all those on his side to be 'professionals' and everyone else to be "willing to pontificate on the basis of their own thoughts *and with no training.*" It is *he* who is the pontificator, speaking *ex cathedra* in that peculiarly supercilious tone of the self-satisfied expert.

The main thrust of his argument, however, is to dismiss defenders of correctness as authoritarian and imperialist, who see "language, this imaginary entity" as a "ring fence of

respectability and authority." Ignoring the nit-picking conventions of spelling and grammar will liberate people into a new confidence in their own linguistic habits. Even the humble apostrophe is "a marker of power, not of any linguistic meaning." So don't worry about it. Feel free to put it wherever you please, and you will hence seize power from the nagging authoritarians, such as Max Harris, who would trap you in a linguistic prison, so that they can keep you in your place.

One doesn't need much knowledge of the history of language to know that meaning and convention change over time. It is also true that all of us use different modes of language in different situations. Children who speak their own dialect in the playground are capable of switching to a different register in the classroom, if that is asked

of them. A formal occasion demands a style of speech different from ordinary conversation.

But to acknowledge this is quite different from defending Kennett's use of "he" instead of "him" on the grounds that "he was using a changing and living language." Even more extraordinary is Knight's assertion that if you "get steamed up because an ABC announcer drops the first 'n' in government, you are fixated on a fantasy."

This ABC example is an interesting one. The ABC used to regard itself (and I hope still does) as the custodian of correctness in pronunciation and usage, and went to a great deal of trouble to ensure that its announcers were given consistent advice on both these matters. The reason for this, contrary to Knight's theory of imperialist authoritarianism, is the perfectly practical recognition that in broadcasting clarity is essential, and that many people, especially newcomers to Australia and to English, look to the ABC for guidance and help in developing fluency.

It is all very well for people who

have themselves enjoyed the benefit of a sound training in the conventions of grammar and spelling to feel free to break the rules they have learnt. It is quite another thing for them to advocate abandonment of the conventions, on the grounds that they have only a minor place in "the effective and smooth transmission of language."

The real flaw in Knight's argument is his view that to teach correctness is to inhibit freedom of expression.

Knight espouses the view that the most important thing is to generate "the well-imagined text" and that process writing methods can subsequently build in "technical practices of spelling and grammatical usage." To say this is, by the way, to concede that such practices are necessary. So why not teach them

early, so that they become habits?

The real flaw in Knight's argument is his view that to teach correctness is to inhibit freedom of expression. Of course, language is "more than a set of rules." But rules — as in Mathematics — once learnt, give confidence to the learner, who is in no way prevented from modifying them to meet different purposes. In any case acquiring the habit of accuracy is essential to the whole range of educational experiences, and to the daily interchange of ideas and information.

Why is it, I wonder, that the English language continues to be the focus for theorists such as Knight? It is a source of astonishment to native speakers of other languages that we are so relaxed, as Knight would have it, about English. That is because they recognize that they would not have learnt English at all without the disciplines he derides. I do, however, agree with him on one point, which is that language is "much more than a playground for the egos and anxieties of opinionated linguistic hacks." I just wish he had taken his own advice. ■

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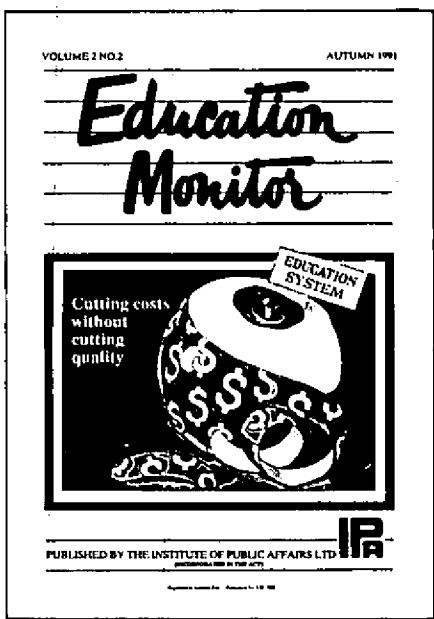
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Dances with Wolves and the end of the Western

FILM
REVIEW

Dances with Wolves looks like being the major film of 1991. It has scooped the awards, won the critical plaudits, and now is packing out the cinemas. Yet while it belongs in the tradition of the Western, *Dances with Wolves* also violates that tradition. There are lessons here about the continuing loss of confidence within our own culture.

JOHN CARROLL

As a film *Dances with Wolves* does not bear much critical scrutiny. There is some fine photography, but it is not memorable. The portrait of Sioux Indian life is vivid and has enough anthropological detail to take it beyond the simple romanticized fantasy into which it threatens to degenerate, although whether it has much actual relationship to tribal Sioux customs and habits is doubtful. The opening scenes promise an epic quality which the ensuing three hours fail to deliver. The film is far too long, its dramatic rhythm unsteady and its ending flatly predictable. As far as the tightness and intelligence of the internal referencing go, it is mediocre in comparison with another film of 1991, Peter Weir's deceptively profound, *Green Card*.

Dances with Wolves, like its Western forebears, lives off the mythology it taps. In its case there is an inversion of the classics, which had their heroic individuals and their robust families bringing civilization into the wilderness. *Dances with Wolves* draws on the Romantic 'noble savage' tradition in the European imagination: the Indians are the virtuous, the Whites are the vicious. Indeed, the Whites are very



bad, with the exception of the hero, who goes native. Out on the frontier the officers are either decadent or brutal, and the men rampaging sadistic delinquents without respect for anyone or anything. In this inversion of myths, European civilization becomes the jungle, in contrast to

the Sioux, who are noble.

The Western Tradition

The tradition which *Dances with Wolves* picks up and inverts, that of the

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Western, has been dead now for three decades. As film, its great period ran from 1939 to 1962, dominated by the works of the master, John Ford. The limiting dates are those of his first major film, *Stagecoach*, and his own last Western, *The Man who shot Liberty Valance*. There are other contributions to the great tradition; Howard Hawks's *Red River* (1948) and George Stevens's *Shane* (1952) spring to mind. But Ford dominates the canon and gives it its logic. The seminal works are *Stagecoach*, *My Darling Clementine*, *She Wore a Yellow Ribbon*, *Wagon Master*, *Rio Grande*, *The Searchers*, *Two Rode Together* and *The Man who shot Liberty Valance*.

There is a case to be made that the end of the Western marked the end of the West, or more specifically, the American attempt to found a civilization beyond humanist Europe, with its own *raison d'être*, and through it a vitality that had long been dissipating in the Old World.

Within Ford's work there are three stages: optimism, tragedy and pessimism, represented respectively in their purest forms by *Rio Grande*, *The Searchers*, and *The Man who shot Liberty Valance*. The first stage is the classical one, with the victory of good over evil, the taming and settling of the wilderness, the creation of a place where communities and their families can flourish

and prosper, and where honour and decency rule. Ford goes further in *Rio Grande*, in the idealized community which is the US Cavalry. There boys are initiated into a virtuous manhood, and men and women overcome the tensions and conflicts between them, come to understand each other, and become companions in marriage. There is laughter and singing and dancing. In fact, Ford's cavalry is the diametrical opposite to that depicted in *Dances with Wolves*.

Ford's deeper intention was to forge a legend that would give America a purpose, a reason for being, something more than the utilitarian struggle for survival. That legend, drawn from the foundation of the country in pioneering the West, centred on tightly-knit community, within which there was companionship, individuals serving the collectivity as an end higher than themselves, directed by a code of honour, understood instinctively and obeyed unself-consciously. He hoped, by painting a vivid heroic community, built by worthy forefathers, to anchor the towns and families of modern America.

The Western ends from within, with *The Man who shot Liberty Valance*. Here Ford pitted the new, triumphant America against the old. The new is education, democracy, law, irrigation, prosperous and secure towns — in short, progress. The old is violent and drunken, dark, rowdy, lawless, but with

a robust community struggling to survive, a precarious order kept by the big men and their guns, represented in this film by the John Wayne figure. The new is championed by an idealistic lawyer from New England, played by James Stewart. The central female switches her affection from John Wayne to James Stewart, seduced by dreams of reason and enlightenment. She is taught to read and write. The problem is that the new town is lifeless: the church bell is silent, the communal pubs and eating places are empty, the new editor is a shameless vulture — in contrast with the old editor, an Irish drunk who spouted Shakespeare and, when inspired, could in his editorial "tear their hearts out." The only thing with weight in the new town, with gravity, is the coffin of John Wayne, the dead authority of the old culture.

Ford's final judgment is that the culture of the Old West, based on valour and community, on vital companionship, was fine and good, but what it led to, the prospering towns in the wilderness, had lost their soul. The master spent his life attempting to forge the myth to make America legitimate, only to abandon it at the end. Worse, *The Man who shot Liberty Valance* shows modern America as based upon a lie. James Stewart builds his career as the champion of progress not on his reputation as a liberal, rational and





Tea-time on *The Man Who Shot Liberty Valance*. Left to right: Vera Miles, James Stewart, Andy Devine, Woody Strode, Lee Marvin, Jeanette Nolan, Edmund O'Brien, Lee Van Cleef, Strother Martin, Shug Fisher, John Wayne. And with their backs to us, Ford and his assistant, Meta Sterne.

enlightened man, but because it was he who had the courage and the gun-skills — values of the old culture — to shoot the demonic Liberty Valance. Such is the legend, but it is false. It was John Wayne who shot Liberty Valance. Furthermore, in the film's last scene James Stewart realizes that his wife has always loved John Wayne, the man with authority. Not only has his own career been founded on a lie, but his wife ruined her life in marrying him, carried away by the ideal of progress.

Ford would have had some sympathy for the message of *Dances with Wolves*. This would not primarily be because there is a good deal of truth to its picture of the ruthless manner in which the Indians were dispossessed. Ford made his own penance to the Indians in his 1964 film, *Cheyenne Autumn*, a film, by the way, that does not work. His sympathy would rather be for the more contemporary reason that, in the late 20th century, America has lost almost everything worth believing in — his own cavalry a failed myth, the present largely aimless and falling apart like the symbolic representation of the anarchic white soldiers in *Dances with Wolves*, attached to nothing apart from their

own wayward, egoistic pleasures. Moreover, if a culture is to work, Ford stressed again and again in his own films, it must have as its core, the strong family — *How Green was my Valley* (1941) was perhaps his own most forceful statement of this theme. The picture of the Sioux in *Dances with Wolves* shows the centre of this Indian tribal culture to be the strong patriarchal family.

This is a little surprising. The typical high art and literature of the last hundred years or so has been rancorous in its method of attacking the traditional authorities of Western culture. Its heroes have been disturbed individuals, melancholy and talented, alone and introspective, misunderstood and maltreated by their society — somewhat in the tradition of Hamlet and his less articulate modern descendants. *Dances with Wolves*, although against the West, is quite different. In its view the vital tribal society is key, the individual secondary. Moreover the tribe is characterized by warrior hierarchy, able and powerful leadership, and strong but obedient and loyal women. Furthermore, it is a culture in which an ethic of honour predominates. Such a society is

also a far cry from the group fantasy favoured in the 1960s and its aftermath, and taken up by many of our floundering churches, of the commune of equals sitting together in a circle, gazing meaningfully into each others' eyes, and straining futilely with forced smiles to prove the overwhelming niceness of human nature.

John Ford ended up rejecting America and its driving liberal myth, of progress predicated on reason, free-will and democracy. He rejected it as empty, a society that had nothing left to believe in. In old age he commented: "Our ancestors would be bloody ashamed if they could see us today." His own conservative ideal was not far from that of small-town America, a world of decent-living, hard-working Christian families. It was just that he saw the animating and enabling conscience failing. Without that conscience, bolstered by the bonds of honour and valour, by the challenges of hardship and necessity, as in his imagined Old West, he feared its civilization would die. ■



Civil Society The Middle Way

Individual freedom cannot survive and prosper without a diverse range of social institutions unfettered by government interference.

ANDREW NORTON

AT the end of 1989 the peoples of Eastern Europe were suddenly presented with an urgent and unexpected task — managing the transition from communism to freedom and democracy.

By what means can this transformation be made? The answer to this question is important for people in the West too, because it prompts reflection on just what it is that characterizes Western society and distinguishes us from the nations of the Soviet bloc.

The obvious answer, of course, is that Western countries are democracies. Some nations of the West also have constitutional guarantees of their freedoms, in the shape of a Bill of Rights. Such things will be relatively easy for the reborn nations of the East to create; the existing power of the state, once used for oppression, can be used to establish the legal forms of freedom and democracy. It will be much more difficult, however, to create (or recreate) the cultural and institutional basis of these two supreme Western values.

The Mark of a Free Society

It is this basis which marks, and has always marked, the major difference between the West and the communist East. That basis can, I think, be summed up in the neglected term “civil society”.¹ Civil society is the complex network of associations, enterprises and groupings found in free nations. Civil society includes churches, clubs and associations, schools, universities, businesses, political organizations, unions and the family. In short, most social formations other than the state.

The existence of civil society is the surest sign of a free society. A Bill of Rights spells out the remedies which a citizen might have against the state, but a multitude of associations is

evidence of freedom in action.

As well as being the mark of a free country, civil society is a protection of it. Civil society provides what has been called a “social separation of powers.”² This is a protection of freedom both from intrusions by the state, and from the domination of other sections of civil society.

The existence of self-governing and financially-independent institutions means that there is a source of countervailing power to challenge government. Political parties and the media are the principal institutions in this, but numerous other forms of association provide access to the political process. Some organizations, such as unions, exist mainly to balance the power of others — in the case of unions, business.

But ultimately it is the sheer number and diversity of institutions within civil society which protects the individual from control by others. Even though this is not their intention, since most institutions exist to serve their own purposes and not to preserve freedom, they do in practice provide alternative ways of living. No single institution need permanently dominate an individual's life.

None of this is to say that there is no role for the state. To the contrary, it has vital functions. There needs to be an organization above civil society to regulate the interaction of the groups and individuals within it, and to facilitate the resolution of disputes. So the state undoubtedly has a role in providing a police force and a court system. The state also has a duty to maintain a defence against external aggression, since the institutions of civil society are not so organizationally linked as to be able to mount a military force.

But it is the contrast with the state which highlights the distinctive features of civil society. The state, it can be shown, inherently lacks certain virtues and advantages because of the type of organization that it is. It is because of this that limits to

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government must be maintained, if we are to preserve a free society in which a multiplicity of cultures and associations can survive.

The state is, obviously, a political body. As such, it is subject to public accountability. When the state carries out a task, both the task itself and the method of its performance should be justifiable to the people who are in the end the state's controllers — in the case of Australia, the electorate. But for a free people their actions should not need public justification; it is sufficient that they satisfy some private need. The only necessary public dimension to these private actions is the avoidance of harm to others. The many activities which go on within civil society, but which are of no general benefit, could not justifiably exist if the state were responsible for the running of the whole of society, since the associations which conduct these activities would be unable to meet the state's requirement of accountability.

The state has many organizational constraints which often make it, as an institution, a poor alternative to the institutions of civil society. For example, the state lacks knowledge. It is impossible for the state to know the needs and interest of all its citizens, to calculate the relative weight the individual would attach to each need and interest, and to predict changing preferences.

It is the institutions of civil society which are best placed to transmit and use this information. Businesses detect likely consumer choices through the market. If people have a common interest, whether it be a hobby, a sport, or a desire for economic advancement, they form associations to promote it. The best signal that an organization serves a purpose or fills a need is not a government decision, but the willingness of people to participate in it and provide support.

Another organizational problem is the state's bureaucratic style. The institutions of civil society serve varied roles and purposes, and there are methods of organization appropriate to each. For institutions where the essence is personal contact, or innovation, or spontaneity, the bureaucratic style is ill-suited.

But perhaps the most fundamental argument in favour of the institutions of civil society is that they can embody values intrinsic to them, which cannot be replicated by the state (nor, often, by any other institution), no matter how efficient. For example, the family is based on love, the church on religious feeling, and many associations are based on group or local loyalties. The purely functional purposes attributed to these institutions might be replaced by the state (the state can feed, house and clothe children, can and to a large extent has taken over the welfare role of the churches, and so on). But the most important aspect of these institutions, their intrinsic value, remains unique to them. It is these which are lost if civil society is diminished.

The importance of the institutions to the social and political health of Australia means we should keep a close eye on their health. This is not always easy. Statistical information about hobby, sporting and cultural associations barely exists. But even where statistics do exist, they are not necessarily useful. It is near impossible to measure how well any of the

associations are fostering the values which might be considered intrinsic to them.

We should start from the assumption that civil society in Australia is reasonably healthy. Our freedoms seem secure, sporting and cultural groups appear to be flourishing, we give generously of our time to charitable causes (surveys suggest that 28 per cent of the population is involved in some such work, through up to 48,500 welfare organizations³) and there is little sign of the widespread discontent with life which might be expected if the institutions of civil society were failing to fulfil their functions. Indeed, Australians rate highly in international comparisons of life satisfaction and happiness.⁴ What

The best signal that an organization serves a purpose or fills a need is not a government decision, but the willingness of people to participate in it and provide support.

follows focuses on some tendencies which are of concern, but also seeks to keep them in perspective. No part of Australian civil society, except perhaps organized religion, seems to be in a decline which is not reversible in the medium term.

For the reasons outlined above, the relationship between the state and civil society will always be of critical importance. No Australian Government is seeking to directly subsume once independent bodies, and there are few if any non-state organizations under the de facto political control of the state. Much if not most legislation, as well as the common law, is designed to facilitate rather than control civil society. The government financially assists without controlling religious, scientific and charitable institutions; unions; employers associations; and non-profit cultural, sporting and friendly societies by exempting their income from tax. Further, contributions to many of these bodies are tax deductible.

Pressure on Civil Society

But alongside this generally positive interaction of state and civil society there are some disturbing trends. These have become more pronounced in the 1980s, as Labor has sought an active partnership between the state and non-government institutions. The most significant example of this is the Accord and the centralized system of industrial relations. Both unions and business lose much of their independence under this system; they must abide by what a national body determines, rather than the requirements of their local situations.

The unions' affiliation with the government is a constraint on their ability to oppose government action. It is inevitably more difficult to criticize those with whom you must maintain a working relationship. This strategy of government creating dependency — and hence the potential for compliance — is also evident in the government's funding of

so-called community groups. The ALP has expended large amounts of taxpayers' money on the funding of political groups such as the Australian Conservation Foundation, the Australian Council of Social Services and the Australian Federation of Consumer Organizations. In turn, these groups endorse the ALP or particular proposals advanced by sections of the ALP. While all these organizations still take stands against the ALP, their independence is in danger of being compromised by financial reliance on government. In such circumstances, their ability to function as a check on the power of government must be diminished.

Individual apathy as well as the state could threaten the viability of political associations. The major Australian political parties have chronic problems with stagnant or declining membership numbers. The proportion of Australians who work for a party or candidate is low by international standards — six per cent, as compared to 26 per cent in the United States. Interestingly, though, Australia rates highly for the number of people who claimed to have worked with others to

solve community problems — 39 per cent, compared to 30 per cent in the US.⁵

The passing of anti-discrimination legislation by most Australian Parliaments since the late 1970s has affected many institutions within civil society. The legislation requires organizations not to discriminate on the basis of an increasingly wide range of characteristics. In many cases, this may be a justifiable intervention in the running of the organization. But it also has the potential to undermine the identity of organizations built around groups with common characteristics, to the exclusion of those who do not share those characteristics.

What Government *should* do

Despite reasons for caution in government intervention within civil society, there are circumstances in which it may be desirable for government to take a more active role in civil society than the provision of a general

A Network of Patronage and Power

The displacement of independent associations by taxpayer-funded pressure groups is the subject of a recent book by Australian public affairs consultant, Bob Browning. Unlike businesses, which must satisfy consumer demand in order to survive in the market, these groups — consumerist, public health, environmental — are mostly unaccountable to the public they claim to represent.

"Taxpayer financing of community groups, which started as a trickle, has now become a torrent 'empowering' a particular type of self-styled public interest advocacy group. 'Empowerment' is achieved not merely through funding. Governments now give these groups a virtual monopoly over 'public representation' on government policy advisory bodies, and over some appointments to key statutory bodies. The result is a distortion of the political environment...

The network's most recent innovative funding tactic involves pressuring government to impose 'social cost' levies on an increasing number of industries to set up health, environmental, and educational foundations and projects. Demands for such special levies began in respect of the tobacco and alcohol industries but are quickly spreading to cover credit, petrol, coal, chemical, food and numerous other industries. In doing so it ignores the obvious fact that industries do not pay these levies, consumers do. Costs are inevitably passed on to consumers.

Anti-capitalists are correct in thinking the network is more 'progressive' than the trade unions. The broadly-based working class constituency of the trade union movement has always put a 'conservative' brake on the socialist propensities of some of its New Class leaders. Most unionists realize that they have a symbiotic rather than adversary relationship with business. Predominantly, they are not out to kill the goose that lays the (mostly) golden eggs of jobs and wealth creation.

This is not true of the New Class constituency of the

consumerist, 'public interest' network. Virtually all its leaders and active members are paid directly or indirectly from the public purse: activist teachers, academics, public servants, and officials of taxpayer-subsidized organizations tend to predominate. It is no skin off their noses (some seem to think) if companies go bust.

That is what chiefly distinguishes the new 'public interest' movement from the trade union movement. It provides the sort of vested interest vehicle for middle class progressives that few could get from a trade union base because, at least in the past, most unions have had to face a working class electorate.

The predominance of New Class interests is even more clearly revealed by the reluctance of the consumerist and associated 'public interest' network to criticize the public sector compared with its attacks on the private sector. This is in sharp contrast to the attitude of most ordinary consumers who, when given the chance to speak for themselves on talk-back programs, mainly do the opposite. Mainstream consumer frustration and dissatisfaction is largely with essential services provided by the public sector, often (particularly as far as low income consumers are concerned) on an effectively monopolistic basis: for example, public transport, education, postal, telephone, hospital, social welfare and law enforcement services."

The Network by Bob Browning is available from Canonbury Press, Suite 12, 9th Floor, 118 Queen Street, Melbourne, 3000. RRP \$16.95.

framework. For example, once it is agreed that government has a responsibility for a certain area, it often makes sense for government to assist and guide private organizations in the fulfilment of public goals.

Education is the classic example in Australia. The government has a clear obligation to provide basic education to all Australians. The issue then arises of how best to achieve this. The current system of private school subsidy would seem to be best for all concerned. It reduces the cost to government, since parents of those at private schools assume much of the financial responsibility for keeping them there. It promotes diversity within the education system, and many argue that private schools often have higher standards than those in the state sector. This policy also facilitates the maintenance of religious groupings, since many private schools are affiliated to religious bodies.

Government funding of charitable organizations would also seem to be an appropriate mix of public and private. Providing money to welfare bodies allows the government to plug holes in the welfare system, without creating new and expensive welfare 'rights' for all. Private bodies concentrate on particular needs, rather than providing blanket guarantees. Also, the personal attention they can give is often more effective than that which can be provided by the cumbersome bureaucracy of the Department of Social Security.

The Effects of Social Change

The institutions of civil society are affected not just by government, but also by broad societal changes. The Australian family is an institution which has undergone considerable change in the last generation. Divorce increased dramatically from the 1960s to the 1980s, though the number of divorces has stabilized in recent years. Twenty years ago, eight per cent of children were born out of wedlock, now it is 18 per cent. The rise of single parent families is a major source of poverty. But there is not a widespread crisis. Eighty-six per cent of Australians still live in family units, and 59 per cent of Australians live in the traditional 'nuclear family' of two parents and dependent children. Of those Australians who are not in family units, more than 500,000 live in group households.⁶

Organized religion in Australia is declining. Only 37 per cent of the population goes to church more than once a year, down from 59 per cent 20 years ago. In 1954 1.8 per cent of the population had no religion; by the time of the 1986 census that had increased to 12.7 per cent.⁷ The churches are the most dramatic example of an institution which has a seriously diminished ability to perform a function that uniquely belonged to it; in the case of religion as a supplier of religious values. The people are simply not physically present to hear whatever message the church has for them. A further sign of the decay of organized religion is the search for 'relevance' conducted by the more modernist branches of the churches,

and their resultant straying into often radical politics. There would seem to be little hope for organizations which allow themselves to be distracted from the tasks which they alone can perform.

The changing structure of the work-force has a significant effect on civil society. In 1954 only 13 per cent of married women with dependants were in paid work; the figure is currently 47 per cent.⁸ While this has ramifications across all aspects of civil society, its effects are greatest on the family, where women have less time for their role as parents, and in community groups such as the charities, which rely heavily on women who are not in the work-force to act as volunteers.

The effect on community groups may, however, be reduced by another major social change, the increased number of retired people. The over 50s have a significantly higher willingness to engage in voluntary work. In the 20-29 age group, only six per cent of women and one per cent of men are involved in this kind of voluntary work, but among the over 50s, the figures are 27 per cent and 21 per cent.⁹

The Middle Way

The focus of political debate and theory on the relationship between the individual and the state has tended to overlook the vital importance of the institutions that lie between them. The goals of both government and the individual may be better served by intermediate organizations. This requires renewed attention to how the institutions of civil society work; what government can do to assist, and what it must avoid so as not to hamper their effective functioning. ■

Notes

1. I have benefited from the discussion of civil society in Chandran Kukathas, David Lovell, William Maley, *The Theory of Politics: An Australian Perspective*, Melbourne: Longman Cheshire, 1990.
2. Chandran Kukathas, David Lovell, William Maley, *The Theory of Politics: An Australian Perspective*, Melbourne: Longman Cheshire, 1990, p. 15.
3. A. Graycar and A. Jamrozik, *How Australians Live: Social Policy in Theory and Practice*, Melbourne: Macmillan, 1989; Don Edgar, "Volunteerism and the Changing Pattern of Women's Lives", *Current Affairs Bulletin*, April 1989.
4. Bruce Headey, "The Life Satisfaction and Priorities of Australians", in J. Kelly and C. Bean (eds.), *Australian Attitudes*, Sydney: Allen and Unwin, 1988.
5. Clive Bean, "Orthodox Political Participation in Australia", *ANZJS*, November 1989.
6. Department of Immigration, Local Government and Ethnic Affairs. *Australian Population trends and prospects 1988*, Canberra, 1988, and Peter Smark and Judith Whelan (eds.), "Australia Unveiled: The Changing Face of a Nation", *The Age*, 1989.
7. Hal Colebatch, "Why People are Losing Faith in their Churches", *IPA Review*, October-December 1989, Institute of Public Affairs. Ian McAllister et al., *Australian Political Facts*, Melbourne, Longman Cheshire, 1989.
8. Edgar, op. cit.
9. *Ibid.*



RON BRUNTON

Hurting the One You Love

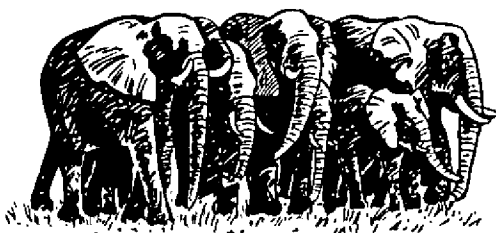
MANY greens think, quite wrongly, that tribal peoples subscribe to New Age-like philosophies which ensure that they live "in harmony with nature." So conservationists assume that tribal people form part of their natural constituency. They have been shocked and distressed when, for instance, local Aborigines have refused to join them in campaigns against uranium mining, or against the Daintree rain forest road. Two articles in the December 1990 issue of the British *Geographical Magazine* show how conservationists hurt those they claim to love.

In 'Conflict of Interests', Damien Lewis discusses how the creation of nature parks and reserves in the Third World can lead to forcible relocation and poverty among affected tribal peoples, without any improvements to the environment. One example is a debt-for-nature program to save the Chimanes Forest which was arranged between a US environmental group and the Bolivian Government. This not only "snuffed out all Indian land rights", it also led to the destruction of the very forest which it was supposed to preserve.

Some international conservation organizations claim to be changing their approach in response to these problems. But Lewis — whose desire to see tribal cultures preserved in anthropological reserves does stamp him as being pretty green himself — is sceptical that this will lead to any improvements

in practice.

The second article, Alastair Bradstock's 'Elephant Saviours in Ivory Towers', explains why the Convention on International Trade in Endangered Species (CITES) ban on all ivory trading is likely to be counter-productive. The inevitable black market will drive prices up, offer greater incentives to poachers, reduce income to local people and encourage them to destroy the elephants which are such a threat to their crops. It will also increase the antagonism that many Africans feel towards national parks and those who sponsor them.



Bradstock describes how legislation passed by the former Rhodesian Government has provided the framework for a Zimbabwean program which allows local communities to manage and commercialize wildlife. As a consequence, wildlife is thriving. The ivory ban could tip the economic balance against the program, eroding local support and so leading to wildlife habitats being taken over for agriculture.

People who are familiar with the work of free market environmentalists

may already be aware of some of the material that Bradstock presents. But its publication in *Geographical Magazine* could make it more ideologically palatable to conservationists. It would be nice, though no doubt fanciful, to think that such articles might eventually persuade the Australian Conservation Foundation to reconsider its kneejerk opposition to commercializing Australian wildlife.

The December issue of *Geographical Magazine* also contains an article celebrating the 20th anniversary of the influential doomsaying British magazine *The Ecologist*, titled 'Vanguard of Visionaries'. *The Ecologist's* vision that "modern industrial society is but a passing aberration" has led it into an amalgam of environmentalist paranoia and the kind of Third Worldism designed to keep developing countries poor but pure.

The Ecologist is worth dipping into as a bell-wether of greens' preoccupations. The November-December 1990 issue, for instance, is largely devoted to GATT, with articles such as 'The Uruguay Round: Gunboat Diplomacy by Another Name' and 'Recolonization: GATT in its Historical Context'. The latter is adapted from the book *Recolonization* which carries a foreword by Tanzania's ex-President Julius Nyerere, the apostle of self-reliance and practitioner of national self-improvement who did so much to turn his country into a wilderness.

A bouncy attack on the doomsday industry was published in

the 3 December 1990 issue of the conservative American magazine *National Review*. 'Raining in their Hearts', by Ronald Bailey, surveys the past quarter-century's prominent practitioners and their scenarios; from Paul Ehrlich's population bomb and Jay Forrester's four limits to growth, through Jeremy Rifkin's biotechnology unbound and Carl Sagan's nuclear winter, to everygreen's global warming. The classic findings of the social psychologist Leon Festinger are confirmed: adherents' fervour can easily survive their prophecies' failure. Forrester is quoted as saying "I think *The Limits to Growth* was an excellent piece of work that is becoming more true every day."

The *National Review* article also includes a box written by the noted toxicologist — and conservationists'

ex-hero — Bruce Ames, summarizing seven misconceptions about the relationship between environmental pollution and human cancer. It contains nice facts which could be used to harass earnest Greenpeace supporters at dinner parties. You can tell them that the potatoes they are eating contain neurotoxins which have been shown to cause birth defects in rodents. They also concentrate in the tissues — just like DDT.

Ames erodes the health-based arguments for organic farming. Blake Hurst's 'Field of Dreams' in the Winter 1991 issue of the American journal *Policy Review* shows that the economic arguments are not too sound either. Intrigued by a National Research Council book presenting case studies of supposedly

financially successful farmers who used very few pesticides or commercial fertilizers, he set out to check the evidence in the hope of saving himself the \$100,000 a year he spends on such things on his Missouri farm. The reality fell far short of the claims. One farmer had gone out of business. Another's profits came from the research funds he received from organic farming support groups and the fees he received for public speaking. Hurst's investigations convinced him that, at least for the time being, alternative agriculture would make no economic sense for him at all. As much as urban conservationists might expect him to do the right thing, this 'selfish' farmer tells us that he is unwilling to work 60 hour weeks for free. ■

IPA BACKGROUNDEERS

by Sir William Cole

Superannuation Policy: or the Curate's Egg (January 1991)

Australia has an ageing population. We must save more to provide retirement incomes rather than have ever-growing recourse to the welfare system. Superannuation policy is better than it was but it is still poorly targeted.

The New Protectionism and the forthcoming 12 March 1991 Statement (March 1991)

Recession has brought the "new protectionists" out of the woodwork. The Government must reject their simplistic notions and press on with genuine micro-economic reform.

The 1991-92 Budget: How to Cut Outlays by \$6 billion (May 1991)

The Commonwealth Government has misrepresented its spending restraint credentials. Its "own-purpose" outlays have been shielded. This paper documents, in detail, why and how \$6 billion should be cut from budget outlays.

Environmental Backgrounders

by Dr Ron Brunton

The Greens, The Environment and the 1990 Federal Election (December 1990)

Many commentators claim that the Green vote brought Labor victory in 1990. This paper examines the evidence, arguing that the Coalition was out-manoeuvred into competing for the green, rather than the blue-collar, vote.

Will Play Money Drive Out the Real Money? Contingent Valuation Surveys and Coronation Hill (February 1991)

A contingent valuation survey supposedly showed that Australians would be willing to pay billions to prevent mining in the Kakadu Conservation Zone. This paper looks at problems with contingent valuation and the specific study.

"It's Really Our Fault": Greens and the Gulf War (March 1991)

This paper argues that the response of Green groups to the Gulf War shows that many Greens are driven as much, if not more, by rancour towards the West than concern for the Environment.

Aborigines and Environmental Myths: Apocalypse in Kakadu (May 1991)

This paper exposes the erroneous and patronizing assumptions about Aboriginal culture on which the Resource Assessment Commission based its first report on Aboriginal interests in the Kakadu Conservation Zone.

by Professor Fred Singer

Global Warming: Is there a problem? (January 1991)

The current evidence for global warming is too insufficient and contradictory to justify the drastic government action which has been proposed to reduce greenhouse gases (\$10).

IPA Backgrounders listed above are available individually for \$3 (plus postage) except where otherwise indicated. Ensure that you receive *IPA Backgrounders* — including *Environmental Backgrounders* — as soon as they are issued by subscribing now (\$80 per year for approximately 20 issues). Write to IPA, 6th Floor, 83 William Street, Melbourne, 3000 or phone (03) 614 2029 to pay by credit card.

The Road to Ergonomic Ruin

In the adversary culture of industrial relations, petty differences are easily magnified. Raymond Watson, a medical orderly living in Melbourne, muses on the possibilities and pedantry.

RAYMOND WATSON

Recently at the hospital which employs me as a medical orderly, the union shop steward placed a notice, a copy of a letter, on the noticeboard at the work station in the Emergency Department:

To the Health and Safety Officer:

Dear Sir,

In line with the Occupational Health and Safety Act 1985 Code of Practice for Workplaces (seating, sections 63, 64 & 65), we request that the medical orderlies in the Emergency Department be provided with ergonomically appropriate seating.

Yours,
Shop Steward/Health and Safety
Rep., Medical Orderlies Dept

That is the notice which actually appeared, with the names of the shop steward, his union and the hospital deleted to protect the innocent and the naive. But try to imagine the ensuing correspondence should the battle for comfy bottoms break out in earnest...



Mr Ted Slack
Shop Steward/Health & Safety Rep.
Medical Orderlies Dept.
Public Hospital Employees Union

Dear Mr Slack,

In response to your letter regarding ergonomically appropriate seating for medical orderlies in the Emergency Department, I would point out that my *Concise Macquarie Dictionary* defines ergonomics as "the study of the engineering aspects of the relationship between human workers and their

working environment." I'm prepared to accept, for the moment, that we are dealing with humans, however the definition refers to 'workers' and 'working environment'. I take it that the 'ergonomically appropriate' seating you request is for orderlies to sit upon while not working, i.e. not expending a single erg — 'a unit of work or energy' (*Concise Macquarie Dictionary*, revised edition, Doubleday, 1982). Therefore or ergo, if you like, I must reject your request.

Yours etc
Otto Palindrome
Hospital Health and Safety Officer.

Dear Otto,

Your definition of ergonomically appropriate is far too restrictive, may I say, pedantic. We have here an issue of workers' safety, after all. The stools provided at the orderlies' work station have no arm rests or back supports and it is all too easy to fall off them should one happen to doze off, something that only occurs, mind you, after a hard stretch of labour. Indeed, half a dozen of my members have sustained serious back injuries in this manner (I have enclosed their WorkCare certificates) and I'm sure you'll agree that more back injuries are the last thing you need.

Yours, etc
Ted Slack,
Shop Steward/Health & Safety Rep.
PHEU.

Dear Ted etc.,

Firstly, allow me to respond to your point re the stools. I would have thought they were ergonomically appropriate given my observation re nil ergs being expended. We have ergonomic manuals here that suggest that the optimum — "most favourable (natural) conditions" (*Concise Oxford Dictionary*, sixth revised edition, 1976) — ergonomic seating position is without arm rests and back supports, exercising the spine's natural function. This seating also has the advantage — we think it is an advantage, anyway — of requiring the seated person to remain conscious.

Yours, etc.
Otto You-know-who

Dear Otto Thingo,

I reject as totally unacceptable your claims re ergonomics. I note that there is no record of any study carried out at the orderlies' work station involving the utilization of an ergometer — "a device for measuring work performed by a

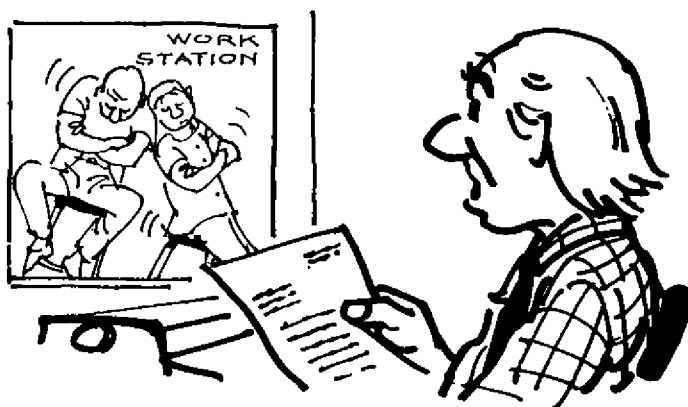
group of muscles under controlled conditions, as to time, rate and resistance" (*Concise Macquarie Dictionary*, *ibid*).

Yours,
Mr Edward Slack,
SS,H&SR,PHEU,DSO.

Dear Ted, etc, etc, ad nauseam

Our safety officers carried out said ergometric tests at the orderlies' work station but the results were worthless in that none of your members was performing an ergative role — "ergative — causative, being the agent of or cause of action" (*Concise Macquarie Dictionary*, *ibid*) — and our officers expended a considerable amount of ergs for nil return re results. Your move!

Yours etc
Otto P.,
HSO, DSO, Bar & Ladies' Lounge



Dear Otto, alleged 'safety officer',

I put it to you that an orderly, even in a semi-comatose state, is still using muscle power or, if you like, expending ergs, simply to remain seated without the aid of arm rests or back supports. Ergo, I reiterate my request. If no action is forthcoming re my request, I will have no alternative but to demand an ergographic — as opposed to ergometric — study!

Yours, etc
Don't-come-the-raw
prawn-with-me-mate

Dear Mr aptly-named Slack,

So now it's ergographics, is it? Re your sedentary orderlies — "sedentary — sitting, of person, inclined by nature or driven by occupation" ... apt, don't you think? My opinion, of

course, enclosed within the given definition parenthetically – “parenthesis – word or sentence inserted into a passage to which it is not grammatically essential, and usually marked off with brackets, dashes or commas” (*Concise Oxford Dictionary*, *ibid*) Jesus! “to, involving, characterized by, much sitting and little physical exercise” (*Concise Oxford Dictionary*, *ibid*) ...



Where was I? Ergographic, you say? My *Concise Macquarie Dictionary* defines ergographic as referring to “an instrument that measures and records the amount of work” ... or ergs, if you like. My comment, not part of the definition, and signified by parenthesis, which is ... well, you know. *Ibid*! – “when a muscle contracts.”

It strikes me, as much as I dislike the word ‘strike’, that a seated orderly is not involved in any muscle-contracting activity, unless you are referring ... ha, ha ... to deep REM sleep – “the stage of sleep in which dreaming is associated with mild involuntary muscle jerks and rapid eye movement, or REM” (*Dorland’s Illustrated Medical Dictionary*, 25th edition, 1974), to which you have inadvertently referred previously, though incorrectly describing it as a “semi-comatose state.”

Yours, etc
Otto Palindrome
If-you-please.

P.S. May I now presume the matter is closed?

Dear Otto, bosses’ stooge and lackey!

YOU may find it amusing to make fun of REM sleep and involuntary muscle jerks – and may I say, parenthetically, that I’ve met plenty of jerks, but you’re winning hands down so far – but as a representative of the hard working medical orderlies, I see nothing to laugh at. If seated orderlies are denied the same ergonomic rights as other workers who spend their working day seated, then this constitutes discrimination, and my comrades and I are noted for our utter lack of discrimination in all matters.

I might also point out that I have noted your dishonest attempt to confuse the issue by resorting to the British imperialist *Concise Oxford Dictionary*, precisely at that point in time when it was our understanding that our terms of reference were to be based on the peoples’ patriotic *Concise Macquarie Dictionary*, the working class’s reference preference. This is a blatant attempt at undermining long established industrial relations norms. If you persist in this

provocative and unhelpful manner, I will have no alternative but to refer the whole issue to the Victorian Trades Hall Council’s sub-committee on lexicographic and linguistic reference sources. I’m not sure what this will mean, but it sounds pretty intimidating to me.

Yours etc.,
Comrade Slack
Party Stalwart

Dear ‘Red Ted’,

Contrary to what you so arrogantly presume, there has been no ruling to date re standard operational procedures re works of linguistic reference, dictionaries, glossaries, encyclopaedias, cyclopaedias, lexicons and Noddy books via the Department of Labour and Industry, the Industrial Relations Commission or the Arbitration and Conciliation Court. However, in order to dispel any ill-feeling or mutual suspicion re resolution of industrial disputation, I will agree to refer only to the *Concise Macquarie Dictionary*.

I seem to have lost my train of thought. What, precisely, are we corresponding about?

Yours, as usual,
Otto P.

Dear Otto Pederast,

Ergonomically appropriate seating for medical orderlies in the Emergency Department, parenthetical pinhead!

Yours Vehemently,
Comrade Slack.

Dear Slacko, Union Troublemaker,

Referring to my *Macquarie Concise Dictionary*, revised edition, Doubleday, 1982...

Dear Otto Predator, Arrogant Patronizer,

It’s not the *Macquarie Concise Dictionary*, it’s the *Concise Macquarie Dictionary*! Checkmate...

Dear Object, c/- The Sheltered Workshop,

Whatever you call this big book I have got in front of me, I’ve found a real doozy! ‘Ergophobic’ – that’s what is causing all the trouble in Emergency...

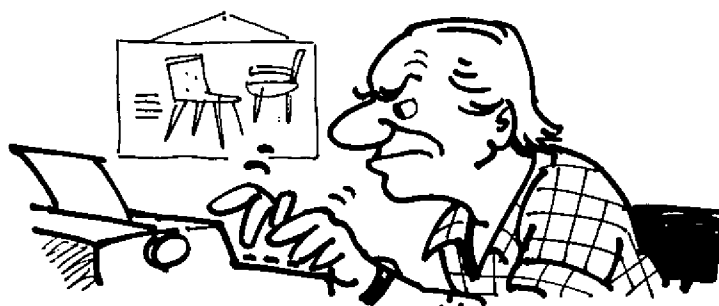
Dear Rotter Hippodrome,

Which page is it on?

Dear Toad Schlok, c/- The Kremlin,

Page 599 – to save you the trouble, 'Ergophobic – the fear of work'. Touche! I now consider this whole matter closed.

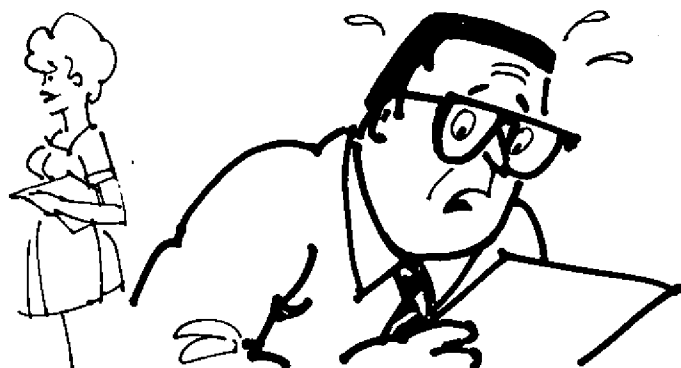
Yours truly,
Dear Otto.



Dear Otto Palindrome,
Hospital Safety Officer,

As you may or may not be aware, our union is currently waging a campaign against the incidence of sexual harassment in the work place. It may be relevant to inform you, at this point in time, that we have lodged with our solicitors, photographs of you 'at work' in your office, and these prints seem to suggest that it is common practice for you to 'sexually harass' your secretary in the back room at lunch time.

Yours,
Mr Ted Slack,
Shop Steward and Health and Safety Office,
PHEU



Dear Ted,

After study of *Lectures in Diseases of the Eye*, second edition, revised 1983, by Ronald F. Lowe, MD, FRACS, FRACC; Evelyn E.S. Wong, Dip. N Ed., FCNA, and with particular reference to the role of the rectus group of muscles (superior, inferior, medial and lateral) and the oblique group of eye muscles (superior and inferior), and given that their role, as described in the previously cited *Dorland's Illustrated Medical Dictionary*, in the process of REM (Rapid Eye Movement) indeed involves "involuntary muscle jerks" which must necessarily include ergographically observable muscle contractions, and given that such contractions involve the expending of ergs or units of work, even during periods of deep sleep, it would appear that sedentary medical orderlies are, by definition, working even when asleep upon dangerously inappropriate and ergonomically insufficient seating.

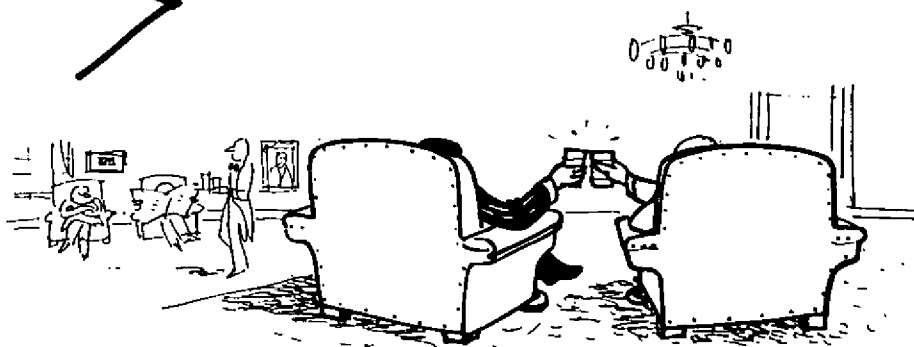
This is, of course, in clear violation of the Occupational Health and Safety Act 1985 Code of Practice for Workplaces (Seating, Sections 63, 64 & 65). After a long and complicated intervention on your members' behalf, I have succeeded in convincing the Safety Office management of the urgency of providing seating for them that is not only ergonomically appropriate, even, may I say, "state of the ergonomic art," but extremely comfortable, or if I may be allowed a homely term, "comfy."

On a personal note, although my secretary expressed a desire to be present at the installation ceremony she was the recipient of a large and unexpected windfall last week and although I will miss her presence and quiet efficiency in my office, I wish her well on her Hawaiian holiday.

Yours always
Dear Otto

P.S. I have taken the liberty of ordering eider-down cushions for the comfy chairs.

P.P.S. I have talked to my colleagues at the Melbourne Club and, as strange as it may seem, they have no objection to a unionist being signed in.



The Rise of the Femocrats

T.C. DE LACEY

TO an outsider, the bureaucratic and legislative achievements of feminism in Australia seem very great; so great, indeed, that feminism appears to be part of the New Establishment. From a miniscule advisory unit in the Prime Minister's Department during the Whitlam years, feminism's presence in the bureaucracy has spread to every Commonwealth Department, as well as into the States. It has created a raft of positions occupiable only by women with feminist credentials, and it has successfully guided the enactment of laws compelling other institutions of society (businesses, universities) to establish similar women-oriented positions. It has also diverted public monies to support its own favourite projects in the community.

The view from within the feminist movement is rather different; just how different can be grasped from three recent books dealing with the 'femocracy': Marian Sawer's *Sisters in Suits*, Anna Yeatman's *Bureaucrats, Technocrats, Femocrats*, and Sophie Watson's collection, *Playing the State*. These books recognize the gains feminism has made, but see them as being over-shadowed by the expectations that have been dashed, the battles lost, the positions captured by non-feminist women, by the threat from an anti-feminist backlash growing just at the time when feminism is suffering from exhaustion. As Sawer comments, "the older generation of political activists worries about how to 'hand on the torch'. Feminists inside the bureaucracy

BOOKS

IN REVIEW



Marian Sawer, *Sisters in Suits*
Allen and Unwin: Sydney, 1990.

Anna Yeatman, *Bureaucrats, Technocrats, Femocrats*
Allen and Unwin: Sydney, 1990.

Sophie Watson, *Playing the State*
Allen and Unwin: Sydney 1990.

bemoan the lack of organized pressure from outside." The effusion of soul-searching, stock-taking and strategic reassessment spawned by this crisis of morale should be of interest to us all, for it offers us fascinating insights not only into feminism but also the ALP's style of government, the politics of the media and the general nature of contemporary Australian politics.

Hester Eisenstein, one of the contributors to Sophie Watson's volume, writes that "the strategy of creating a femocracy has gone hand in hand with a strategy of alliance with the Labor Party." As the 1980s rolled on, however, the ALP became increasingly obsessed with loyalty to itself, and those femocrats who were not members of the Party found themselves somewhat frozen out.

The case of Mary Draper is instructive. According to Marian Sawer, when Draper took over Victoria's Office of Women's Affairs

(as it was then known) in 1983, she found the ALP's women's policy "very thin" and therefore set about developing an agenda of her own. Because party committees in that State played an important role in the operation of the government, however, the Status of Women Policy Committee had to have Draper's initiatives "retrospectively legitimized through the party conference." This made her unpopular with party women. As Sawer comments, "women without strong links with the party found it difficult to succeed in senior positions in Victoria."

At the Federal level, the obsession with loyalty saw the Office of the Status of Women select staff of non-women's movement backgrounds (and even non-feminist backgrounds!). The Department of Prime Minister and Cabinet — a department notable for its sensitivity to political imperatives — became a major source of recruits. One recounted to Sawer that she had been "surprised to find there were very few in NSW who regarded themselves as feminists."

When the veteran feminist Anne Summers left the office in 1986, she was replaced by Sue Brooks, who had previously worked for the State Bank of Victoria and the Victorian Treasurer. Brooks lacked "shared experience in the women's movement", which created some problems over consultative mechanisms. While she found the post a "radicalizing experience," the office showed an increasing concern with "second-guessing" PM & C's economic rationalists, and a tendency to submit to the government only those

policy options which it was thought likely to accept. The emphasis on being "on side" with PM & Ceven led to men being appointed to the office!

Moderates and Extremists

The influx of ALP women into the femocracy exacerbated a pre-existing division between relatively moderate and extreme femocrats. A similar division has existed in the general feminist movement virtually since the beginning, although the bureaucratic factional alignments have not always corresponded to those in the movement as a whole.

Women's Liberation groups began to spring up in 1969, first in Sydney and Canberra, then spreading rapidly to the other capitals. Focusing initially on "consciousness raising" and "personal transformation" with a view to making revolutionary changes, these groups were amorphous and anarchic. Many of these groups developed an enthusiasm for socialist ideologies, separatist lifestyles and paranoid, rancorous protests against the insidious 'patriarchy'. They also seem to have furnished many of the staff (at least in the initial stages) for women's refuges, rape crisis centres and women's health centres.

The more pragmatic organization was the Women's Electoral Lobby (WEL), which coalesced in 1972. WEL adopted the same six-point agenda as Women's Liberation — free, 'safe' abortion on demand; 24-hour child-care; Equal Employment Opportunities; equal access to education; free contraceptives; and equal pay. But WEL was more interested in getting "runs on the board", as it were, than in making symbolic gestures or spouting revolutionary rhetoric. Using the expertise of professional women — female journalists, sociologists, economists, political scientists — WEL mounted a sophisticated campaign and became, as Lyndal Ryan puts it (in Watson), "the political bombshell of 1972."

Within the bureaucracy, the moderate/extreme division has revolved around the competition between the

Office of the Status of Women (earlier known as the Women's Branch and then the Office of Women's Affairs) and the older Women's Bureau of the Department of Employment and Industrial Relations. In the late Whitlam and early Fraser periods, the Women's Bureau was "not headed by an SES officer and its actions were partly dictated by an extremely conservative branch head." It was also somewhat jealous of the Women's Affairs Branch. By contrast, the Women's Affairs Branch was headed first by Elizabeth Reid and then by Sara Dowse, both of whom were in WEL as well as Women's Liberation.

By 1988, the relative inclination of

SISTERS IN SUITS



WOMEN AND PUBLIC POLICY
IN AUSTRALIA-MARIAN SAWER

the two units had been reversed. Now the Women's Bureau viewed itself as more in touch than the Office of the Status of Women (OSW) with the interests of working-class women. Between 1983 and 1986 (i.e. Anne Summers' period at OSW), bureau staff referred disparagingly to the "Office of Women of Status". One reason for this (which became more pronounced after 1986) was that the Bureau used the euphemistic employment criterion of "knowledge of women's issues" to recruit movement-feminists while OSW was recruiting non-activists and non-feminists. The tensions persisted despite, according to Sawyer, "deliberate efforts to recruit heads of the Women's Bureau who

would be able to work more co-operatively with the office."

Relations between femocrats and feminists in the community have often been severely strained. For example, when the first ever Prime Ministerial advisory position on women's affairs was created by the Whitlam Government, and filled by Elizabeth Reid, there was uproar in the 'women's' movement. The editorial collective of one Sydney journal circulated a protest letter declaring that "no woman chosen by men to advise upon us will be acceptable to us." An accompanying leaflet attacked the applicants, "pointed out that all the women on the short list were white, highly educated, socially adept and heterosexual, and asked how they would resolve conflicts of loyalty between the PM and women."

The case of Anne Summers is also interesting. In 1969 she was a founder of Women's Liberation in Australia. At a Women's Liberation conference in Melbourne in 1970, she was abused for daring to wear make-up. Then in 1973, she was one of the unsuccessful applicants for Elizabeth Reid's position. She also helped establish a radical journal called *Refractory Girl*. 1974 saw her participate in the 'squat' which established 'Elsie', believed to be the country's first women's refuge. In 1975 she published the controversial book, *Damned Whores and God's Police*, and was at the forefront of a hostile Balmain Town Hall crowd that confronted Elizabeth Reid's spokeswoman over International Women's Year funding. Then, after completing a PhD and working as a journalist, she emerged as head of OSW in 1983. Summers had thus passed from an early radicalism to an interest in the femocracy, then from radical criticism of the femocracy to being the nation's leading femocrat!

One twist of Summers' career draws our attention to the media's political role. The distinct lack of interest in 'feminism' shown by young women nowadays is often blamed, by feminists, upon the prejudicial outpourings of the 'masculinist' media. But how anti-feminist really is the media? True, Sawyer notes the "unremitting press hostility", the trivialization and personal innuendo

practised on Elizabeth Reid (and some others). On the other hand, we see that of 164 press articles about WEL during 1972, only three were unfavourable. And when refuge funding seemed threatened in the early Fraser years, "Lyndal Ryan, who had left the Office [of Women's Affairs] contacted Paul Lyneham and arranged for a *Four Corners* program on the refugees." On top of this, we learn from Sawyer that at one stage the Federal Parliamentary Press Gallery was so anti-feminist that it elected Anne Summers as its President!

Hostility to non-feminists

The books reveal the existence within both feminism and the femocracy of a widespread antipathy towards non-feminist women. Anna Yeatman, using a species of post-Marxist class analysis, decides that "a dilemma appears for femocrats when it is appreciated that their feminism, when set to work in practical policies, usually turns out to be an effective ideology and class consciousness for them but not for the majority of women."

One of the most explicit cases of hostility to traditional women is revealed by Watson's contributor, Ludo McFerren: in 1976-77, it transpires, the women's refuge liaison officer in NSW's Department of Youth and Community Services persuaded her Minister to oppose the funding of church-run refuges on the grounds that only "women's groups should set up women's refuges." The pragmatic Premier, Neville Wran, over-rode this policy because of the political power of Catholics in the ALP, but the feminist opposition did limit the number of funded religious refuges in the State.

Now, if the objective is to help women in need, then surely the ideological pedigree of the helpers is irrelevant. If, however, the object is to gain power over other women, to close off their opportunities for living in ways which feminists dislike, then the drive to privilege feminist refuges makes perfect sense. She who offers the shelter calls the tune!

Some of the writers' off-hand remarks also reveal anti-traditional feelings. Anna Yeatman speaks of the ideology of 'familism' and implies that the position of women in the home is inherently one of 'exploitation'. Ominously, she goes on to argue that "struggles against the exploitation of women by men are necessarily struggles over the extent to which women's work should be left to private choices..." and that "femocrats seek to deprivatize this relationship..." that is, to make people's private relationships the objects of 'public' or political scrutiny. Judith Allen speaks of a "foetocentric backlash" that has forced women to pay 40 per cent of the cost of their own abortions. The comment most demeaning to home-making women, however, must surely be Marian Sawyer's quip that National Party MP Tom McVeigh was "a Catholic father of five who also bred Clydesdales."

The wealth of information in the three books is so great that here I have merely presented some of the highlights. Researchers can find within these pages plenty of ideas for future work: they might consider the role played by Liberal Party women, as well as by pro-feminist male MPs and bureaucrats, in the femocracy's advancement; or they might ponder the relationship between bureaucratic and academic feminists (particularly since Anna Yeatman argues that the latter are fully-fledged 'femocrats'); or they might study how the feminist movement has used the competing jurisdictions of Australian federalism to advance its own objectives.

This is not to say that the books have no faults. Yeatman's handful of prescient observations must be extracted from the convoluted prose so beloved of the modern social science academic. She accepts uncritically the caricatures of conservatism put about by radical intellectuals: neo-conservatives are 'undemocratic', deregulators are 'proto-fascists', etc. Watson's *Playing the State* suffers, as so many collections do, from the uneven quality of the contributions. Sawyer's *Sisters in Suits* has suffered from its long gestation, and

also from a fear of 'economic rationalism' — a fear which seems rather excessive when it is recalled that 'efficiency' was one of the earliest stimuli for equal opportunities in the public service.

These books give us a glimpse of feminism's state of mind, which is not very healthy. However, the femocrats' bureaucratic achievements — machinery, regulations, legislation — have fared much better than their morale. Although some budgets have been cut back, some positions downgraded, a few planned programs put on hold, the essential structures remain in place. The femocracy is unlikely ever to shrink to its proportions of the Fraser era, let alone to the miniscule size of its Whitlam foundations. Feminism's biggest handicap must be its poor public reputation, and this, I would suggest, will only change when those women who are seen as feminism's leaders begin to show genuine interest in the aspirations of ordinary women. That, I would submit, means taking the desire for home, children and domesticity as seriously as the quest for a career. ■

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Project Victoria calls for \$1 billion in cuts



Graeme Samuel

Bob Officer



Michael Porter



Geoffrey Blainey



Terry McCrann



Ken Crompton



Ron Tomlinson

Des Moore

A report commissioned from the IPA and Tasman Institute by 13 Victorian business organizations has unveiled a program of radical economic reform involving extensive privatization and spending cuts. The report, which examines ways of reducing the size and role of government in the Victorian economy, was launched on 29 April. The main speakers at the launch were the IPA's Des Moore, Dr Michael Porter of the Tasman Institute and Professor Geoffrey Blainey.

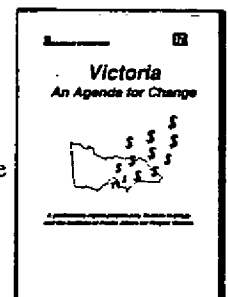
Panel discussions, chaired by Charles Goode and Baillieu Myer, involved Graeme Samuel, Paddy McGuinness, Terry McCrann, and Professors John Freebairn and Bob Officer.

Michael Short of the Melbourne Age wrote: "Project Victoria: An Agenda for Change is probably the most articulate exposition produced in Australia of the minimal government, free market ideology that appears to be emerging triumphant from the economic rubble."

In response to the report, the Victorian Premier, Mrs Kirner, met with Victorian business leaders. She accepted some of the proposals in the report but rejected many others, including the proposal of a voucher system in education. The report argues that in 1989/90 the Victorian Government overspent on education by \$400 million.

See also 'Moore Economics' in this IPA Review.

Project Victoria: An Agenda for Change is available from the IPA for \$15 plus postage.



Paddy McGuinness

Alan Stockdale

Educating the Educators

Professor Martin Haberman of the University of Wisconsin-Milwaukee will be the keynote speaker at an IPA education conference in Sydney on 21 June and a luncheon in Melbourne on 25 June. The conference will examine ways of improving the education, selection and status of teachers.

Professor Haberman, an internationally respected authority on teacher training, has been involved, directly or indirectly, in shaping every major reform of American teacher training in the last 30 years.

Other speakers at the conference will include leading Australian educators — Dr Allan Taylor, Mr Gerard Gaskin, Dr Bernard Mageean and the IPA's Dr Susan Moore.



Susan Moore

A recent Education Study Paper on English syllabuses by Susan Moore attracted enormous interest, including a supportive editorial in *The Australian* which ran:

"Dr Susan Moore, Research Fellow of the Institute of Public Affairs, has produced a telling document ... [it] should be compulsory reading for troubled teachers concerned about literature they are asked to present."

For further information on the conference, luncheon or Study Paper, contact Tracey Seto on (03) 614 2029.

Dame Leonie Elected Chancellor

Dame Leonie Kramer has been elected Chancellor of the University of Sydney. She was formerly Deputy Chancellor and Professor of Australian Literature at Sydney University. Dame Leonie is Senior Fellow with the IPA's Education Policy Unit.

Bicentennial Criticism had a "seminal effect"

The official history of Australia's Bicentenary, published this year, concedes that the IPA's criticisms of the national program of the Australian Bicentennial Authority (ABA) had a "seminal effect".

Denis O'Brien, commissioned by the ABA to research the history, writes: "...Publicly, the first of many serious blows to the ABA in 1985 came from the Institute of Public Affairs...an article by Dr Ken Baker, a research fellow at the Institute, submitted the Authority's program for 1988 to a searching analysis and found its ideology seriously deficient in most matters of traditional concern." O'Brien says that the wide press given to the IPA's criticisms under such headings as 'Bicentenary plans slated' and 'Birthday plan not dinkum' "posed a tricky public relations problem for the Authority. Piecemeal responses to scattered extracts of the criticism could not hope to blunt Baker's comprehensive thrust."

O'Brien believes that the inclusion of the Australian flag on ABA letterhead and the later introduction of the program Heritage 200 were implicit acknowledgments by the ABA of the validity of the criticisms. He concludes "The seminal effect of Dr Baker's critical analysis of the Bicentennial program plainly was quite profound, no matter how stoutly the ABA had defended its program at the time of his attack."



Denis O'Brien

The UN After the Gulf Crisis

The prospects for a new international order based on collective security through the United Nations was the topic of a talk by Ambassador José Sorzano in May. The meetings in Sydney and Melbourne at which Ambassador Sorzano spoke were organized by the IPA's Pacific Security Research Institute. José Sorzano is a former Ambassador to the UN and Advisor for National Security Affairs to the US President.

See the report in this *IPA Review* 'A New Beginning for the United Nations?'

Making Australia Competitive

"Developing more competitive attitudes will not be easy," Peter McLaughlin, Executive Director of the Business Council of Australia, told a meeting of the IPA Young Professionals in April. But, he said, structural reform which dismantles the barriers to productivity of centralized wage fixing and high tariffs is an essential prerequisite for change.

Essay Prize-Winner

The AIPP Dollar Family Freedom Essay Competition has been won by Alice Robinson. The annual prize, worth \$500, is open to school students and requires entrants to write on a subject relevant to the general topic of curbing state intervention in the lives and affairs of citizens. A prize worth \$1500 was also offered for the best essay (same general topic) by a tertiary student. The prizes are the result of an endowment by WA businessman, Adam Dollar.

Which Way Forward?

"Future Directions of Conservatism in Australia" was the topic of an IPA Forum meeting in April. The main speakers were Robert Manne, editor of *Quadrant*; Michael James, editor of *Policy*; and Ken Baker, editor of *IPA Review*. A lively discussion ensued.

An Open Letter to David Edwards – Executive Director, The Victorian Employers' Federation

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11 March 1991

Mr David Edwards
Executive Director
Victorian Employers' Federation
50 Burwood Road
HAWTHORN VIC 3122

Dear Mr Edwards,

I am writing to register the strongest possible protest at the recent letter I received from you regarding the Quit Campaign.

I have never been, nor have my companies ever been, members of the VEF. Until your letter of 12th February, we have never even received any letter from your organisation soliciting support either for your own work or that of any third party such as the Quit Campaign.

It is absolutely mind-boggling that as we enter what is perhaps the greatest economic catastrophe that has ever engulfed this State, your organisation should be seen to be hopping on the bandwagon and supporting one of the central Orwellian 'Ministry of Truth' disinformation programs that has done so much to wreck our cultural and economic infrastructure.

The tobacco industry was the first to be assaulted by the clever little souls imbued with passionate self-righteous, quasi-religious fervour for their cause. They have tapped into the growing self-hatred that marks the New Class's discomfort and guilt with the material success and personal freedom that the enterprise of essentially private individuals and small companies has delivered to every man in the modern Western economies. These people, with their flawed (and now discredited, quasi-Marxist) analyses of how the Western economies have been able to deliver wealth and freedom to its peoples, will seemingly stop at nothing until they have reduced us all back to abject poverty and enslavement to their rule.

Your organisation, along with organisations such as The Liberal Party, is supposed to be the defender of the philosophies and values that have made us the economically and culturally successful people that we have been.

And now, here YOU are – just as George Orwell predicted – swallowing your enemy's Trojan horse of propaganda hook, line, sinker and the whole fishing rod and jetty. (The time for mincing words is over – I strongly commend to you the concluding pages of George Orwell's 'Animal Farm' just as much as they should be commended to all those clever little politicians and leftwing functionaries who, over recent years, have feathered their own nests in the finest of style while they have smashed our economy and our culture.)

You need your head read, mate! And then you need to sort out which way is up or my prediction is that Victoria, and Australia, can kiss goodbye to economic recovery forever.

Yours sincerely,

Brian Coyne
BRIAN COYNE
(Managing Director)

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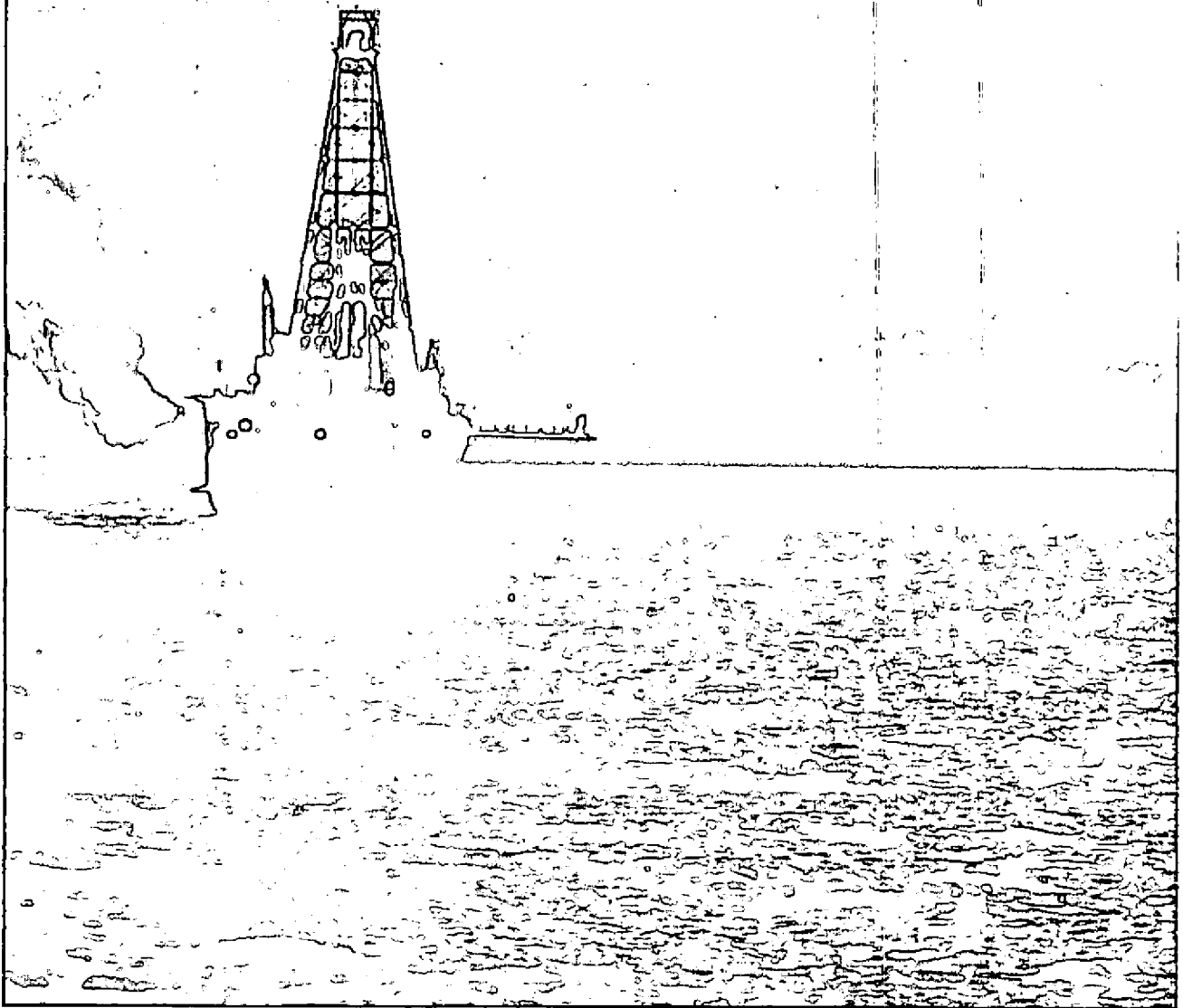
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