Letters
Since 1989-90 Commonwealth Government spending has increased by 16.5 per cent in real terms.

From the Editor
Can the liberal-conservative marriage hold?

Press Index: Mabo
How the nation's editorials have judged Mabo.

Debate
Should surrogate motherhood be legal?

Strange Times
Ken Baker
Delusions of grandeur from the advocates of world government.

Letter from America
Harry Gelber
A testing time for Bill Clinton.

Down to Earth
Ron Brunton
Green Liberals.

Obituary
C.D. Kemp (1911-1993)

The Liberal Conservative Alliance in Australia
Gregory Melleuish
The evolution of a successful relationship.

In Contempt of America
Derek Parker
America's enemy within.

Thought for Food
David E. Tribe
Useful guides through the maze created by the genetic revolution.

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Obituary
C.D. Kemp (1911-1993)
Where the IPA Stands

The IPA promotes those ideas and policies which it believes will best advance the interests of the Australian people.

It is better placed than political parties to focus on the long-term interests of Australia and to confront issues that are important for the nation, but electorally unpopular. It has no party political affiliations.

The IPA shares the values and aspirations of the vast majority of the population:

- the rule of law;
- parliamentary democracy;
- a prosperous economy with full employment;
- high standards in education;
- stable family life;
- sound environmental management;
- security from the threat of crime and invasion;
- the freedom to associate, express opinions, own property and practise one's religion;
- care for the disadvantaged; and
- a tolerant, peaceful society.

While these values are widely shared, agreement on the best means of achieving them is not. The IPA's contribution is to identify the means that will enable Australians most effectively to realize their values and to argue publicly for those means against objections inspired by opposing ideologies or vested interests.

The IPA supports an efficient, competitive private sector because experience has shown that general prosperity and, in the long run, political freedom, depend upon it. A prosperous community, with a growing economy, is best equipped to assist the needy, to protect society from internal and external threats and to safeguard cultural, educational and environmental values. The IPA recognizes that markets are not perfect and therefore government must sometimes intervene to correct their failure. However, because government intervention also carries risks and costs, it must be justified by the overall public good and not be, as it so often is, the result of pressure from special interest groups.

The IPA supports parliamentary democracy not because such a system is perfect or incorruptible, but because democracy is more likely than its alternatives to demonstrate respect for human rights and peaceful processes for resolving conflict. It supports small but strong government because big government is wasteful, fosters corruption and is a drain on the economy: a drain which ultimately reduces the resourcefulness, creativity and independence of the Australian people.

The Way the IPA Operates

The Institute's main activities are in the fields of government, economics, education, Aboriginal issues, and the environment. It promotes its views and encourages public debate through its publications and seminars, through comment in the mass media and through discussion with policy-makers.

The independence of the IPA and the quality of its argument are maintained by the integrity of its staff and by the following procedures:

- All the research studies which the IPA undertakes, and which meet the required standards of quality, are published and thus are open to public scrutiny.
- The IPA does not accept commissions from political parties. It does, on occasion, accept tasks from Federal and State Government entities when these relate to specific areas of IPA expertise, when they have no direct party-political overtones, where publication is assured and when control is firmly in IPA hands.
- Many of the IPA's publications are subject to review by experts not associated with the Institute.

Funding

The IPA obtains its funds from more than 4,000 private individuals, corporations and foundations. No one source accounts for more than 6.5 per cent of the total and no one industry sector provides more than 16 per cent. No donations from political parties or grants from government are accepted.
Market Values

In a recent editorial (IPA Review, Vol. 45 No. 4) you discussed the ethical aspects of economics. In this context you cited the Weber thesis. That thesis has been severely criticized by the historian G. Elton in Reformation Europe (Fontana, 1963, pp. 305-318). Nevertheless, I feel your editorial made much sense.

It said that traditional values like prudence and responsibility were crucial to economic systems. Indeed, notorious economic crashes often seem to coincide with periods of ethical backsliding. The South Sea Bubble occurred during the libertine reaction to Puritanism and religious wars. The Great Depression followed the Roaring '20s. The excesses of the 1980s followed the antinomianism of the '60s and '70s. On this view religion or morality do not seem to work itself out in reverse discrimination against our own culture. Perhaps this reflects the swing of the pendulum. Christendom once consigned all pagans to outer darkness, only to see the Enlightenment swing the other way with the touching fantasy of the noble savage. Social Darwinism sent the pendulum back with a crash. Today's anthropologists may wish to atone for such excesses. They may also feel, with Chief Two Feathers, that animistic cultures have a more spiritual attitude to nature. Ironically, this idea stems from a Western source — the historian Lynn White, Jr. (Science 155, 1967, p.1203). It has repeatedly been refuted; see for example Dubos, R., A God Within (1972, chapter eight).

Again, anthropologists may, like Arts students doing PhDs on obscure literary works, fall into the temptation of exaggerating the profundity of what they are studying. Such exaggeration, plus the appeal of the exotic, allows the anthropologist to pose as a guru on our own culture. In this way relativism once again becomes a Trojan Horse for adversary-culture dogma.

David Elder, Grange, SA.

Rejected Fathers

Karl Zinsmeister's article 'The Need for Fathers' (Vol. 46 No. 1) refers to 'father flight' in describing fatherless families. The direct implication in this phrase is that fathers abandon their families.

The latest Australian Family Law Court statistics show that divorce applications are filed as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Wife</td>
<td>48.3</td>
<td>per cent</td>
</tr>
<tr>
<td>Husband</td>
<td>36.0</td>
<td>per cent</td>
</tr>
<tr>
<td>Joint</td>
<td>15.7</td>
<td>per cent</td>
</tr>
</tbody>
</table>

I was also advised that while no figures are available regarding which partner initially decides on marital separation, they are believed to be similar. The article implies that American fathers abandon their families, but quite patently most Australian fathers do not. Perhaps we should be referring to 'father rejection'.

P. David Cram, Belmont, Vic.

Family Fight

Three Cheers for the three articles on families (IPA Review, Vol. 46 No. 1). Tapper and Zinsmeister made a strong case for the social costs of family breakdown, and Dunne's piece was a much-needed call for reform of government policy to help undergird the family.

Taken together, the articles present a strong case for the two-parent family and the need to resist the temptation to 'redefine' the family or let it be co-opted for ends inimical to it.

Perhaps with the collapse of communism and the ebbing of environmental hysteria, the new battleground of the 1990s will be the war over the family. If the situation in America is any guide, the culture wars being fought over family issues will be just as important and just as protracted as the war against communism was — with the stakes being just as crucial.

Bill Muehlenberg, National Secretary, Australian Family Association.

Paid Mothers

Your editorial, 'Restoring the Family's Status' (Vol. 46 No. 1) had some excellent things to say about the family and its importance. It also rightly pointed out the defects of excessive day-care provision. However, there are several aspects which need further comment and I would appreciate a little space to offer it.

First, it is clear that many women go out to jobs, even when they have children to care for, because the single-income of their husbands is not enough, especially when mortgage payments are high. Although I have strong views on wages, I do not develop that aspect now. Rather, I would like to say that, in addition to tax concessions for women who want to refrain or withdraw from jobs outside the home, there ought to be a payment similar to that prevailing in France where women with three or more children who stay at home to care for them are paid a substantial amount by the government.

If wages cannot be raised then the French-style scheme seems essential. This scheme more than pays for itself through savings on day-care expenditure and dole payments. Many vacancies will be opened up if the scheme were introduced, for a large number of working women would opt for the role of full-time home-makers under these improved conditions.

A decision of this kind requires a genuine effort to see the family as central to a healthy society, and justice to dedicated mothers as more important than pleasing the feminist lobby and 'femocrats'.

Let me also say that this proposal was first put forward by B.A. Santamaria who has often raised it in print.

(Continued on page 6)
Most popular leisure activities
(percentage who participated in the last week, February 1991)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watching TV at home</td>
<td>94</td>
</tr>
<tr>
<td>Listening to radio</td>
<td>76</td>
</tr>
<tr>
<td>Reading</td>
<td>70</td>
</tr>
<tr>
<td>Visiting friends/relatives</td>
<td>67</td>
</tr>
<tr>
<td>Listening to music</td>
<td>65</td>
</tr>
<tr>
<td>Relaxing/doing nothing</td>
<td>58</td>
</tr>
<tr>
<td>Talking to friends on phone for more than 15 minutes</td>
<td>49</td>
</tr>
<tr>
<td>Gardening for pleasure</td>
<td>41</td>
</tr>
</tbody>
</table>

Watching TV at home 94
Listening to radio 76
Reading 70
Visiting friends/relatives 67
Listening to music 65
Relaxing/doing nothing 58
Talking to friends on phone for more than 15 minutes 49
Gardening for pleasure 41

Department of the Arts, Sport, the Environment, Tourism and Territories

Proportion of Australian Aborigines who live in a household containing a non-Aboriginal: 54%.

Number of Aborigines eligible to vote in the Federal seat of Kennedy (Qld): 6,000. Number who at the 13 March election voted for the candidate of the Australian Indigenous Party (a radical party advocating ‘black power’): 401.

Calculations from census and election data by Ron Brunton.

Commonwealth public sector employees:
In 1989-90: 148,000.
In 1992-93 (est.): 159,500.

Increase in Commonwealth Government spending over the same period: $22.7 billion (16.5% increase in real terms).

Des Moore, Commonwealth Government Expenditure: The need to cut it and how to do it, IPA Backgrounder, 12 May 1993.

INDICATORS

Australia’s share of the Japanese beef market.
In 1970: 87%
In 1992: 53.4%
Cattle Council of Australia.

Proportion of immigrants to Australia in 1991-92 who entered under the Family Migration program: 45.3%. Proportion who entered under the Skill Migration program: 37.6%.


H.M. Morgan, speech to the National Rabbit Control Conference, 2 April 1993.

Jobs Gained and Lost
February 1990-February 1993

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Administrators</td>
<td>+3,600</td>
</tr>
<tr>
<td>Professionals</td>
<td>+37,300</td>
</tr>
<tr>
<td>Para-Professionals (e.g. nurses, police)</td>
<td>+6,300</td>
</tr>
<tr>
<td>Tradespeople</td>
<td>-93,900</td>
</tr>
<tr>
<td>Clerks</td>
<td>-94,900</td>
</tr>
<tr>
<td>Sales and Service workers, and Drivers</td>
<td>+74,200</td>
</tr>
<tr>
<td>Plant and Machine Operators</td>
<td>-43,000</td>
</tr>
<tr>
<td>Labourers</td>
<td>-92,800</td>
</tr>
</tbody>
</table>

ABS Cat. No. 6203.0.


Estimated yearly loss in agricultural production attributable to Australia’s 200-300 million rabbits:

$90 million

H.M. Morgan, speech to the National Rabbit Control Conference, 2 April 1993.

Watching TV at home
Listening to radio
Reading
Visiting friends/relatives
Listening to music
Relaxing/doing nothing
Talking to friends on phone for more than 15 minutes
Gardening for pleasure

IPA Review, Vol. 46 No. 2, 1993
America’s richest man: Bill Gates, age 37, Chairman and Co-Founder of Microsoft.
The Economist, 22 May 1993.

<table>
<thead>
<tr>
<th>NSW</th>
<th>Victoria</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area Km²</th>
<th></th>
<th>801,600</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>5,901,126</td>
<td>4,427,371</td>
</tr>
<tr>
<td>Local Councils</td>
<td>176</td>
<td>210</td>
</tr>
</tbody>
</table>

Percentage of people in the ACT who say they are concerned about tree deforestation: 33.4. Percentage Australia-wide who say this: 18.6.
Percentage in the ACT who say they are concerned about nuclear issues/uranium: 25.2. Percentage Australia-wide who say this: 14.9.

* Australia’s Environment: Issues and Facts, ABS Cat. 4140.0.

Federal Government grant to the ACTU and the Australian Conservation Foundation for a joint “Green Jobs in Industry” project: $1.1 million.
Senator Jim Short.

Number of sites listed on the Register of the National Estate (Aboriginal, Historic and Natural): 10,775.


<table>
<thead>
<tr>
<th>Life expectancy at birth (years)</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 1901</td>
<td>55.2</td>
<td>58.8</td>
</tr>
<tr>
<td>In 1991</td>
<td>74.4</td>
<td>80.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>“In the last two weeks...” (%)</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experienced an illness</td>
<td>68</td>
<td>79</td>
</tr>
<tr>
<td>Consulted a doctor</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>Took medication</td>
<td>61</td>
<td>74</td>
</tr>
</tbody>
</table>

Women in Australia, ABS Cat. No. 4113.0.

Minimum number of electors who would need to have changed their votes for a Coalition victory to have occurred on 13 March: 1,400

* The Age, 30 March 1993.

Number of the world’s top 100 chess players who are Russian: 22.
The Economist, 6 February 1993.

Percentage of Year 12 enrolments (1990) in tertiary accredited Economics and Business Courses who were female: 52.4. Proportion in Computer Studies who were female: 40.4%. Proportion in Computer Studies in 1986 who were female: 30.2%.

Estimated ratio of the value of unpaid work to GDP in Australia: 52 to 62%.
Women in Australia, ABS Cat. No. 4113.0.
Gay Servicemen

The most recent IPA Review (Vol. 46 No.1) examined briefly a number of key arguments relating to whether Australia’s armed forces should admit homosexuals. Despite the five valid points raised under the ‘No’ category, a stronger case can be made in favour of such admission. This case rests on two main precepts:

First, that the nature of an individual’s sexuality is of little relevance to the requirements of the Australian Defence Forces. Although the article in question demonstrates that the nature of many jobs precludes from them people with certain characteristics, it is not entirely clear how homosexuals would reduce the services’ efficacy. It could be said, for instance, that many (heterosexual) servicemen might resent having to perform alongside gay colleagues. However, this appears an argument more in favour of removing from the military personnel with unreasonable prejudices rather than a justification for the automatic exclusion of all homosexuals.

With respect to the point concerning the possible undermining of armed forces’ loyalty by the presence within them of minority groups, there is no reason to suppose that gay servicemen would be less able to subordinate their individual identities (so as to improve teamwork) than soldiers, sailors, and airmen of the heterosexual persuasion. Despite some opinions to the contrary, a person’s sexuality is only a small part of his or her overall makeup, and it is this overall nature of any individual which should be of prime interest to military recruiters.

Second, that the ADF should, to a certain extent, reflect the core values and beliefs held by Australians. While there exist large and influential groups which cling to a variety of regrettable prejudices, it is not drawing too long a bow to suggest that Australia has developed into a tolerant nation within which a wide range of lifestyles (such as homosexuality) are both permitted and accepted. Without claiming, therefore, that the ADF should become primarily a vehicle for social change (although in the United States the military has, with respect to the advancement of blacks, performed just such a function), there seems no good reason why its admission policies need reinforce outmoded attitudes towards homosexuality.

Perhaps Robert Ray, the Coalition, and the ADF Chiefs-of-Staff need to consider more closely both the real needs of today’s military and the type of Australia which the armed forces are designed to protect (and reflect).

Tom Elliott, Hawthorn, Vic.

Profitable Recycling

IPA REVIEW (Vol. 46 No.1) carried a generally negative overview of recycling by Ron Brunton.

Recycling is an ‘inefficiency’ well worth incurring. Otherwise, BHP would close down its massive Rooty Hill steel processing complex. This deals entirely with recycled materials, involves more than 700 high-tech jobs and, when international prices for processed steel rejuvenate, will involve tens of millions of dollars of export earnings for Australia.

Simsmetal is a profitable concern. It deals entirely in recycled metals and is established in Australia, New Zealand and parts of North America.

ACI currently encourages the procurement of all recyclable glass products, and nearly all the various grades of aluminium are required by Comalco, primarily as a relatively cheap source of bauxite. These materials are at a general premium, and a small business with a franchise to collect recyclable materials for the likes of ACI is among the most secure of small enterprises in any local community. The prime impediment to such recycling operations is the bungling bureaucracy and reactionary intransigence of politically conservative local councils and municipalities.

An even more salient consideration regarding recycling is that the technology involved is undergoing rapid refinement and upgrading. What ACI has done with the processing of glass bottles into new glass-based products it is doing with PET plastic bottles also, as the following paragraphs from The Sydney Morning Herald (28 April 1993) indicate:

“Last year, ACI recycled 100 million old soft drink bottles made of Poly Ethylene Teraphthalate (PET) into detergent containers and raw plastic for the manufacturing of synthetic carpet abroad.

“Now, thanks to the technological breakthrough, completed in the ACI plant at Bankstown, and its approval by health authorities in America and Australia, 200 million used PET bottles will be extruded and moulded into beverage and food containers in the next 12 months.

“ACI’s marketing manager, Mr Michael O’Connor, said the company's annual import bill for raw resins from America would be reduced by up to $10 million because each bottle manufactured from August this year would contain about 30 per cent recycled PET.”

This is both green and clever.

As for being green, it was real estate ‘greenies’ who campaigned for years to try to thwart what is now arguably the single biggest recycling plant in Australia, the BHP steel plant in Rooty Hill, NSW. They cited noise and other supposed pollution and environmental ill-effects; but more exactly these ‘greenies’ were concerned with the real estate prices in the area. There are greenies, and then there are ‘greenies’.

All the corporations I have cited herein are listed on the stock exchange. Yes, recycling is a stock market concern: BHP, ACI, Simsmetal, and (in relation to paper and cardboard recycling) Amcor, North Broken Hill and, again, ACI.

Let me furnish this final analysis. There are two essential approaches to recycling. One is extremely marginal and the other has substantial industrial potential. The former is the essentially feminine side of recycling. This involves community-based re-use of materials and a longevity approach to use of products; re-using items or fashioning new uses for things, often in the domestic environment. Sort of hom-grown stuff.

The latter is the masculine side of recycling: essentially mass production, high-tech. It involves the mass processing of recyclable materials otherwise cast off as refuse (industrial
or domestic). And it has massive employment and investment potential. It adds a sizeable dimension to competitiveness in the industrial processing, manufacturing and marketing (retailing) fields.

Richard N. Hedditch, Woolgoolga, NSW

**Alternative Handbooks**

Vidisha Bagchi's condemnation of the contents of student orientation handbooks (*IPA Review*, Vol. 46 No. 1) was absolutely spot on.

However, what is even more offensive than their extreme contents is the fact that these handbooks, which are produced by students' associations at almost every Australian university, are all produced at a loss of many thousands of dollars. These losses are paid for by compulsory student union fees, the payment of which is a precondition of entry to Australia's universities. In effect, students are being compelled to pay for (or buy) a handbook which they may or may not want.

Yet there is no reason for these handbooks to be produced at a loss as a group of friends and I have demonstrated at the ANU. For the past two years we have produced *The Uni Guide* as an orientation guide for students at the ANU. We did not cost students any money because we do not receive a subsidy (our competitor, the 'official' Orientation Handbook, costs students around $3,000) but instead we have made profits several times the size of their loss.

Nor can we be accused of providing an inferior or cheapskate service. With a circulation three times that of our competitor, our publication is also more colourful and has more photos.

Our information on the university's services was more accurate and more complete. One example is that the official handbook had articles crowing in their politically correct fashion about the need for child-care to be addressed, yet failed to have any information on the child-care services available at the ANU. In contrast, our article was the most complete ever produced on the ANU's child-care services and the university is using it as the basis for its own information brochure.

In addition, students received the benefit of discount offers from around 20 of our advertisers — discounts that would not have been available to students had we not been out soliciting advertising to pay for our publication.

The essential problem is that the students' associations, with easy access to compulsory fees, have no incentive to raise advertising revenue, control costs or be relevant to students (hence the minority concerns of their handbooks).

It is totally offensive that universities, the supposed bastions of freedom, continue to compel students to pay student union fees as a precondition to enrolment. This is particularly true when the money is used to fund the huge losses that students' associations make on their politically correct orientation handbooks when these handbooks can be produced at a profit.

It is time for a little micro-economic reform to creep into our universities.

Stephen Byron, Lyneham, ACT.

The Editor welcomes letters for publication. Letters may be edited for reasons of space or clarity. They should be addressed to:

The Editor
IPA Review
Ground Floor
128-136 Jolimont Road
Jolimont Vic 3002

**IPA CONFERENCE**

The Ethics of Teaching and Learning

Tuesday, 7 September 1993
University of Sydney

How are strong intellectual and moral values most effectively imparted in schools? Is it legitimate in a pluralistic society to speak about enduring, universal values? How can teachers cope with the many pressures from outside the school which they encounter every day? Are proposals about uniform national standards and practices a force for good?

These are some of the questions which this conference will address. Speakers will include leading Australian educators: Dame Leonie Kramer • John Carroll • Robert Manne • Susan Moore • Ralph Townsend • Bernard Shepherd

The audience will have ample opportunity to question speakers after papers. The conference will be of particular interest to teachers, principals, parents and policy-makers.

Attendance, including a light lunch, will cost $60 per head.

For further information or to register, contact Vera Lew, IPA Education Policy Unit, Level 4, 124 Phillip Street, Sydney, 2000. Phone (02) 235 1500, Fax (02) 223 6882.
Is the Alliance Over?

In theory liberals and conservatives disagree on many things: liberals place primary value on individual freedom and, for that reason, favour minimal government; conservatives value community and tradition and see a valid role for the state in protecting public morality; liberals believe in progress, conservatives are sceptical about it; liberals are reform-minded, conservatives worry about social instability and unintended consequences; liberals believe in enlightened self-interest, conservatives that the forces which drive man are murkier and less rational than this.

The centrality of both philosophies to our political tradition suggests that each draws on deeply-set ambivalences in modern western man: the longing for freedom and for authority; the desire for novelty and for predictability; the quest for autonomy and for community.

Yet despite their differences, liberals and conservatives in Australia, as Greg Melleuish points out in this IPA Review, have maintained a long-standing marriage of sorts. Like most marriages, it has been through rough patches: there have been arguments, tensions, even temporary separations. But the relationship has held, and each has tempered the excesses of the other, with both philosophies often co-existing in the same person. Conservatives have taught liberals to show some respect for convention, and liberals conservatives now find themselves like a couple who, after a lifetime's hard work to pay off the mortgage and send their children to private school, now alone together wonder what it ever was they found so attractive in one another.

From within, pressures to abandon the alliance have emerged with full vigour only since the defeat of the Federal Coalition on 13 March. Some economic liberals wish to dump the baggage of social conservatism and some social conservatives believe that the Liberal Party would be better off without the economic liberalism that underpinned Fightback! (Other Liberals, not considered here, are also critical of the alliance: the so-called 'wets', for example, who disparage both economic liberalism and social conservatism.)

The first camp argues that social conservatism gives the Liberal Party an anachronistic image: it conflicts with the progressive thrust of liberal economic reform and is insensitive to contemporary issues such as environmental protection, feminism, republicanism, multiculturalism, and the need for reconciliation between Aboriginal and non-Aboriginal Australians. Its representatives argue that if the Liberals fail to get up to date on these issues, they will lose the votes of large segments of the electorate: women, immigrants, youth.

Gary Sturgess, former adviser to Nick Greiner, believes that the Liberal Party must combine its 'dry' economic policies with "a progressive approach to social policy...rather than a return to the social conservatism represented by John Howard." In March in the Australian Financial Review, he argued that the Greiner Government had pursued such an agenda, evident in homosexual law reform, racial vilification legislation, more accountable government, and "some of the toughest anti-pollution legislation in the country." (Sturgess's list illustrates a tension in the 'progressive' social agenda between less government intervention — with regard to, say, the policing of sexual relations — and more government intervention — racial vilification laws, for example.) The re-election of John Hewson and the election of Michael Wooldridge to the Liberal Party leadership signify, Sturgess argues, that the parliamentary Liberal Party accepts the desirability of broadening dry economics with liberal-left social and cultural policies. That Dr Hewson is reported, since the March election, to have sought political advice from former senator and leading figure on the liberal left, Chris Puplick, supports Sturgess's claim.

Underpinning this position is an awareness that the tough-minded program needed to make Australia's economy internationally competitive will create tensions in the Australian community: lifting productivity will upset some work habits, employees
may feel less secure. Left-liberal social and cultural policies, it is argued, will help ameliorate the effects of economic dislocation; they will help forge a new social contract.

A key weakness with this position is that the so-called progressive social agenda is already being enacted by the Labor Government and is proving to be much more a cause of division among Australians than a force for cohesion. The Prime Minister's campaigns on republicanism and Mabo suggest this. There is also the question: how will it benefit the Liberal Party electorally to be seen as a pale imitation of the ALP? If the Labor Government succeeds in winning over the Australian public to, say, the republican cause, a supportive Liberal Party is unlikely to get any of the credit. And would not a sizeable proportion of Liberal (and Labor) voters feel disenfranchised should both parties adopt a leftist social agenda?

Culture and Poverty

Indirectly, a new American book, *The Dream and the Nightmare*, provides strong reasons for not disengaging cultural conservatism from economic liberalism. Author Myron Magnet argues that the emergence of an underclass in American society is the bitter fruit of the leftward lurch by the American upper middle-class in the 1960s and 1970s. The new counter-cultural ethics, initially embraced only by a section of the affluent and the educated, were popularized through music, television, movies and advertising. What began as calls for liberation by the upper middle-class young became shackles for the underprivileged.

The liberationist message on drug use simply added petrol to the smouldering coals of drug addiction when it hit the American ghettos. The liberationist message on sexual relations reshaped family life for the worse, pushing up the divorce rate and helping to create the situation where one in two black families in the USA now has no resident father.

Crucially, the new cultural ethics attacked the conservative values on which self-advancement and prosperity are built:

"...the new culture of the Haves, in its quest for personal liberation, withdrew respect from the behavior and attitudes that have traditionally boosted people up the economic ladder — deferral of gratification, sobriety, thrift, dogged industry, and so on through the whole catalogue of antique-sounding bourgeois virtues. As social thinker Irving Kristol puts it, 'It's hard to rise above poverty if society keeps deriding the human qualities that allow you to escape from it.'"

Magnet's book is an important qualification to Charles Murray's argument in *Losing Ground* that the growth of welfare dependence is the result of the structure of economic incentives. Incentives, says Magnet, are less important than character, moral convictions and the messages transmitted by the culture. Radicalize the culture and you undermine the economy.

Conservative Discontent

There is also discontent with the liberal-conservative alliance from conservatives. Economic rationalist policies, these critics argue, are too radical, and they alienate blue-collar voters who are morally conservative, but unhappy with policies perceived to be anti-trade union. Some conservatives are uneasy with the individualistic, liberationist thrust of economic liberalism. Economic liberals, they complain, talk too much about abolishing regulations and bypassing institutions. As one young conservative put it at the recent Tom Wolfe Society Annual Conference: the New Left of the 1970s and the New Right of the 1980s are two complementary faces of the rise of the New Class.

This criticism confuses hedonistic 1980s 'yuppies' with the critics of big government and union power. The latter are motivated as much by moral concerns about the abuse of power and the decline of individual responsibility as by economic concerns, although it is often the latter that they are better at articulating.

Moreover, as any conservative should know, it is foolish to judge policies without regard to context. The core goal of economic liberals is to reduce the size and the intrusiveness of government. Its specific context is the substantial shift in the relationship of government to society in the past 30 years. Symptomatic of this shift is that since 1960 government outlays as a proportion of GDP have grown from 22 per cent to over 40 per cent. During the 1980s — the so-called decade of deregulation — almost 30,000 pages of Statutes were legislated, four times as many pages as during the 1960s. Liberals in the 1980s were also reacting to the emergence of corporatism, increasingly powerful interest blocs in league with government — an unhealthy situation for democracy and for the public interest.

Conservatives cast admiring glances at the Menzies era. They should recognize, as Michael Warby points out in the July/August *Quadrant*, that returning government to its size in the Menzies years would mean slashing public sector expenditure by 50 per cent, something which not even the most radical economic rationalists are recommending. If economic liberals seem to harp on the dangers of 'big government', that is because those dangers are a significant problem of our time.

This is not to say that the calls since March for the Liberal Party leadership to widen its outlook beyond economics are not warranted. Sensible liberals recognize that their raft of economic reforms will make little progress if it is trying to move against the tide of culture. And some of the most urgent problems we face as a nation, such as Mabo, although they have serious economic consequences, are at base cultural problems. The Liberal Party needs to be better equipped than it is with cultural arguments; it needs to be more conscious that a prosperous society has a moral and institutional foundation. Recognition of that fact is implicit in the liberal-conservative alliance.
Australian Disputes, Foreign Judgments

While Paul Keating campaigns against Australia's 'foreign monarch', his government is busily enlarging the authority of foreign committees over Australian affairs.

ROD KEMP

Do United Nations legal organizations threaten our independence and sovereignty? The answer is "yes", if we apply the principles once so clearly enunciated by Labor luminaries such as Gough Whitlam and Lionel Bowen. Calling for the abolition of appeals to the Privy Council, Mr Whitlam said in 1973:

"...the High Court of Australia [must be] the final court of appeal for Australia in all matters...It is entirely anomalous and archaic for Australian citizens to litigate their differences in another country before judges appointed by the government of that other country."

In accordance with this view the Hawke Government, in 1986, abolished the right of Australians to appeal to the Privy Council. Hawke's deputy at that time, Lionel Bowen, suggested that this action reflected Australia's status as "an independent and sovereign nation." Writing at the time, Justice Mary Gaudron (now a judge of the High Court) also welcomed the move saying that it "committed the future course of Australian justice to Australian courts. The Australian legal system is realized." Prime Minister Keating himself said recently in relation to the refusal of some State Premiers to agree with his interpretation of the High Court's Mabo decision:

"Look, we've got a Constitution which is made up of an executive, a legislature and a judiciary, and the judiciary, our High Court, makes decisions about these sorts of matters. And it's made a decision about native title. There is no appeal to that decision. There is no Privy Council and nor should there be."

Yet the Keating Government has increased the pressure for Australians to "litigate their differences" before foreigners.

At the end of 1991, in a decision which could have profound implications for our legal system, the Keating Government agreed that individual Australians could take complaints to the United Nations Human Rights Committee. Just before the March 1993 election, Australia also recognized the competence of two other UN committees -- the Committee on the Elimination of Racial Discrimination and the Committee

Gough Whitlam: Australians should not litigate their differences before foreign courts

Rod Kemp is a Liberal Senator for Victoria.
Against Torture — to consider complaints and communications from individual Australians. Another significant pre-election development allows each of these committees to consider complaints made by other countries about Australia’s fulfilment of its obligations under the relevant Conventions. Access to these UN committees is available to any Australian who has exhausted all domestic avenues of appeal.

Previously, the only international organization which could accept appeals in relation to domestic disputes had been the International Labour Organization (ILO). In a desperate attempt to limit the scope for an incoming Hewson Government to implement its industrial relations policies, the Keating Government was not too proud to enlist the power of the ILO.

In the heat of the election campaign, it ratified two important ILO Conventions (concerning the termination of employment and matters relating to workers’ representatives) — apparently without following the usual procedure of consulting with State Governments and without any announcement to the media.

Impact on Australian Law

While the findings of UN and other international legal committees are not binding, there are at least four ways in which they can have an important impact on our legal system:

- First, an adverse finding would put huge political pressure on the Commonwealth Government to override Acts of State Parliaments.
- Second, as Senator Evans confirmed at a recent Senate Estimates Committee hearing, the Government can use its external affairs power to give the force of law to international conventions. Since the election, the Minister for Industrial Relations, Mr Brereton, has announced that, to ensure the availability of parental leave, legislation will be introduced. It will be “based on the ILO Conventions dealing with this issue [the needs of workers with family responsibilities] using the external affairs power of the Australian Constitution — a power which enables the Federal Government to implement Australia’s international obligations.” Mr Brereton has also indicated that the Government will embark on a legislative path designed specifically as a “comprehensive strategy for implementing...ILO obligations.”
- Third, Australian legislation is now being framed to enable United Nations Conventions to be incorporated by regulation into law — amounting, in effect, to ‘legislation by stealth’. For example, under the provisions of the Human Rights and Equal Opportunity Commission (HREOC) Act, the Commonwealth Attorney-General may declare an international instrument relating to human rights and freedoms for the purposes of the HREOC Act. This was despite the fact that the NSW Attorney-General made it clear that the Declaration is not consistent with NSW law and practice which exempts religious bodies from the Anti-Discrimination Act 1977.
- Fourth, these UN developments are likely to have a very important general impact on the judicial interpretation of Australian law. Indeed, the judiciary has already shown that it will absorb international principles into Australia’s common law. As Justice Kirby, the President of the NSW Court of Appeal, has stated:

> “Several of the trailblazing decisions [of the High Court in 1992] were influenced by the fact that what Australian courts decide can now be scrutinized (and criticized) by the UN body [the United Nations Human Rights Committee].”

And as Justice Brennan asserted in the High Court’s *Mabo* judgment of last year:

> “The common law does not necessarily conform with international law, but international law is a legitimate and important influence on the development of the common law.”

Senator Evans has justified the increased involvement of the United Nations in Australian legal disputes, arguing...
Debt and Sovereignty

Increasing involvement with foreign tribunals is not the only threat to Australia's independence.

If the difficult idea of 'sovereignty' can be loosely defined as the "final decision-making power" of a state, then a nation may be said to lose some sovereignty whenever doubts arise as to its ability to meet financial commitments. Some opinions to the contrary notwithstanding, this may occur even when the debts that are difficult to service are incurred by the private sector. And it remains true whether we are thinking of the sovereignty (i.e. authority that is final) that is possessed by the Government, the Parliament, or the people.

We may be helped to understand why by first thinking of a commercial firm.

When creditors hear it rumoured that a business may be unable to meet obligations to make scheduled payments, the business must pay more for its credit. Since high risk premiums are the last thing businesses can afford, firms go to considerable lengths to appear creditworthy. In the process, their directors and senior staff lose some of their decision-making powers. Long before receivers are called in, they find that, in practice, they must cease or reduce dividend payments, retrench staff, sell non-core assets and stop expansion. It is not just that to take these steps is prudent, but also that it has become prudent to do what creditors want done.

Since creditors' interests are not necessarily the same as those of shareholders and may conceivably even be in conflict, shareholders may be disadvantaged by the transfer of authority. On the other hand, from the shareholders' point of view, outside discipline may be preferable to the sovereignty to which they have been accustomed, if that 'sovereignty' is being effectively undermined by reckless management and/or incompetent directors.

It is argued that the analogy breaks down because governments are not ultimately responsible for the private sector's debts. However, consider the case where there is a subsidiary company that has incurred excessive liabilities for which technically the parent company is not responsible. The subsidiary's rash behaviour, nevertheless, affects the parent in these ways: there is likely no longer to be a dividend flow from it to the parent; its value as an asset on the parent's books is discounted; and the parent company's management's judgment, and in some cases morality, is likely to be heavily discounted. If the subsidiary is but one example of poor investment and control among many otherwise profitable assets, then no great harm is done; but, if it is significant or typical, then the parent's own credit rating is affected despite its formal non-involvement financially. What is more, the creditworthiness of other subsidiary companies in the same stable will face additional pressures from their creditors — creditors will, at least, want to get in with their demands before those of a cash-strapped parent.

In the real world, over-committed debtors, even before they are in default, tend to go cap in hand to creditors offering to cede a degree of management discretion for cash. In contrast, lenders come cash-in-hand to those potential borrowers whose capacity to service debt is unquestioned. Such a borrower may, with impunity, interpret even a mild enquiry about how his business is conducted as effrontery.

Now to Australia. The FitzGerald Report had this to say:

"[O]ur overall debt level is already very high — our foreign financiers are already building premiums into the terms on which they are prepared to finance us — and like an over-gearred corporation, we are becoming gradually more exposed to financial or other external shocks. A major future shock could, for example, push Australia into a debt spiral from which escape would occur only by possibly harsh and protracted adjustments."

FitzGerald does not say what he means by "other external shocks," but he may even have been thinking, among other things, of war with its potential for total loss of sovereignty. Even if we do not contemplate anything so drastic — that is, we put from our minds the thought that only a foolish nation denies itself the capacity to finance its own defence — the fact remains that we are already having to take the wishes of our creditors into account when considering those policies that affect savings. Such policies include taxation and welfare.

We have not yet suffered the indignity of having others' assessments of, for instance, our human rights record linked to our credit, it is true. However, other nations, such as South Africa, have experienced attempts to control their domestic politics by making their access to credit conditional. One does not have to be an apologist for apartheid not to wish to risk a situation where one's nation was hostage to the world's hypocrites.

It is conceivable that Australians would be better governed with, say, International Monetary Fund supervision than at present. And it is certain that, even in the relatively extreme case of the IMF being invited in, the Government would claim that no Australian sovereignty had been ceded. The Government would, however, not be telling the truth.

John Hyde is Executive Director of the IPA.

John Hyde
before a Senate Estimates Committee hearing on 10 May 1993 that if Australia is to have credibility in pursuing respect for human rights, then we must be “prepared to accept the jurisdictional consequences of their application to [Australia].” Further, he argues that, while the High Court makes determinations about Australian law, we “must be prepared to accept on occasions, where [our] own system does not offer redress, a determination of a declaratory kind by an international body…”

If and where Australia's laws are found to be deficient or unjust...then we have elected Parliaments with the powers to change them.

There is no doubt that Australians are taking the opportunity to go offshore with their legal disputes. At present, the Human Rights Committee is considering the validity of the Tasmanian Criminal Code dealing with homosexuality; a complaint from the victims of deep sleep therapy at Chelmsford Hospital is likely to be considered soon; and a detailed submission relating to the detention of 'boat people' in Australia has just been lodged.

The ILO has presented findings on at least two significant Australian cases in recent times — union amalgamations and the right to strike.

International tribunals have a role in international disputes involving Australia and other countries. The propriety of this is not a matter of dispute. What I am concerned about is that our Government is encouraging foreign intervention in domestic disputes.

Colin Howard, formerly Hearn Professor of Law at the University of Melbourne, has drawn attention to the “formidable powers of interference, or at least influence, of the European Court of Justice and the European Court of Human Rights in the domestic affairs of the member countries of the European Community. The [UN] tribunals...are not even constituted as courts, but...must inevitably wield a power to bring great pressure to bear on our own governments and courts.” He adds:

“The foreign judge development is yet another outcome of the unfortunate enthusiasm in recent times on the part of the High Court and ALP federal government for converting s51(29) of the Constitution (the power to legislate with respect to external affairs) into a de facto power to legislate for internal affairs.”

Usurping the Role of Parliament

The argument is not against UN Conventions. Indeed most Australians would not quarrel with the intent of most human rights conventions (although it should be recognized that some clauses will inevitably give rise to disputes over interpretation — for example between the rights of parents and the rights of children).

However, if and where Australia's laws are found to be deficient or unjust in their application to disputes between Australians, then we have elected Parliaments with the powers to change them.

Personally, I agree with the ILO's 1991 finding opposing the Government's policy on union amalgamations. Others dispute it. But personal views are beside the point and we stray from established legal practices at our peril.

There is some irony that Australia's number one republican, Paul Keating, is now so enthusiastic about opening up our legislative and judicial systems to foreign influence.

I have never heard of any of the individuals on the UN Human Rights Committee (with the exception of Justice Elizabeth Evatt, who was appointed in September 1992). Nor has the Minister for Foreign Affairs, Senator Gareth Evans, as he confirmed before a recent Senate Estimates Committee. I mean no disrespect to the members of the Committee. But, on the Gough Whitlam principle, I don't want Rosalyn Higgins of the United Kingdom interfering in my country on the basis of her membership of the UN Committee on Human Rights. Nor do I want Francisco Urbina of Costa Rica or Christine Chanet of France or Waleed Sadi of Jordan or Kurt Hendel of Austria or Birame N'Diaye of Senegal or any of the other members of the Committee interfering in disputes between individual Australians.

Surely the safest course is to rely on the democratic processes long established in Australia. Laws are passed by the elected parliaments and are applied by an independent judiciary of known judges. This is what being an independent nation means. As it unfolds, the Constitutional debate must include consideration about the involvement of foreign tribunals in our domestic affairs.
Are Superannuation Funds Really Safe?

Superannuation funds in Australia are large and growing, yet the environment in which they operate is not as secure as many people assume.

NICK RENTON

The major asset of a typical Australian family, apart from its home, is often an interest in one or more superannuation funds. Following the recent enactment of the Superannuation Guarantee Charge legislation, the value of such interests will increase further in the future.

Just how safe is this important form of savings? Are superannuation funds really as secure as both their members and the politicians believe?

In recent years many much-advertised financial organizations of various types have encountered financial difficulties — the Farrow Building Societies, Transcontinental, Geneva Finance, Estate Mortgage, and so on. Unfortunately, this list also includes Trustees Executors and Agency (a statutory trustee company dating back to 1878), OST Friendly Society and even two life offices (Occidental and Regal).

Superannuation funds have traditionally not been supervised at all, with any desired limits on their activities just being written into their own common law trust deeds. This is so despite membership of a scheme being compulsory for many people, a factor which suggests that the need for consumer protection is greater than in the case of share and other investments made voluntarily.

Until the last few years the only official interest in superannuation funds came through the Income Tax Assessment Act 1936. However, this particular Act was mainly concerned with protecting the revenue rather than the position of superannuation contributors or their dependants.

Only in recent times has this scenario started to change. The Insurance and Superannuation Commission has now been set up in Canberra and the Occupational Superannuation Standards Act 1987 and other special legislation have been passed. The 1991 Federal Budget Papers and various official announcements have foreshadowed additional information disclosure requirements for superannuation funds.

However, no amount of reporting to the authorities — or, for that matter, to a fund's own members — is ever going to eliminate the possibility of some individual funds failing. Both employers and employees should be aware of the dangers. Trustees, in particular, and fund auditors should be conscious of their responsibilities in monitoring weaknesses.

One problem in this area is that there are no prescribed qualifications for trustees of superannuation schemes — any person, regardless of lack of experience, education or independence can be appointed. Even senility or a record of bankruptcy, mental illness, corporate offences or other criminality is no bar. It is much easier to become a trustee than, say, a company director (or even a publican).

Similarly, the requirements to disclose what is happening

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to a superannuation fund are much lower than those in relation to companies listed on the stock exchange.

Many Reasons for Insolvency

A fund can become insolvent (assets less than actual and anticipated liabilities) from a host of different circumstances, singly or in combination, including:

- capital losses on investments;
- lower-than-expected returns on the portfolio;
- defalcations;
- fraud;
- an inadequate level of contributions, having regard to the promised benefits;
- fees imposed by the authorities in order to meet supervisory costs;
- levies imposed to enable other funds to be bailed out;
- heavier-than-expected mortality (in the case of funds providing death in service benefits);
- lighter-than-expected mortality (in the case of funds providing pension benefits);
- heavier-than-expected morbidity (in the case of funds providing disability benefits);
- litigation; and
- greater-than-allowed-for administrative expenses, including the internal cost of complying with official requirements.

The latter may be much greater than the most visible cost of fees actually being paid to the government.

The Battery Group disaster set a precedent for levies to bail out the victims of failed financial institutions — in this case the two life offices mentioned above. Why would this principle not be extended to members of insolvent superannuation funds? And what happens if a levy imposed on a marginally solvent fund then causes that fund to go into the red? Would there be a second round of levies — and then a third, and a fourth, and so on? Where would it stop?

Particularly heavy mortality may be encountered where 'soft' entry requirements encourage persons at greater-than-average risk to join up in order to get cover not otherwise readily available to them — for example, persons who suspect that they might get AIDS.

Actuaries often calculate contribution rates on the basis of real returns (interest less inflation) of a constant one or two per cent per annum, on the assumption that future interest rates will change in line with inflation. Is this a valid basis?

It is true that with the benefit of hindsight interest rates can be thought of as involving three separate components:

- a reward for the use of money;
- a reward for risk; and
- a payment by way of compensation for inflation.

But the last-mentioned component is, in practice, quite inadequate because the relative bargaining strengths of lenders and borrowers are not equal. Those with surplus cash need to find a home for it, while those with a use for money for some commercial activity have the choice of not going ahead if the borrowing terms are such that the chance of making a profit is regarded as too low.

Thus lenders collectively (whether small savers or large institutions) are never in a position to say to borrowers: "We believe that inflation will be $x$ per cent per annum; therefore you must pay us $x + y$ per cent per annum."

Impact of Tax Rate Changes

There is also the possibility of unforeseen changes to the income tax, capital gains tax, land tax or stamp duty rules affecting funds or their investments.

The compound interest effects of even relatively small tax changes over the long periods which are typically involved in superannuation funds can be more dramatic than is generally realized. To illustrate, a steady periodical contribution invested at, say, 15 per cent per annum free of tax (the pre-1988 income tax basis) from age 20 to age 65 might have produced a satisfactory retirement benefit; the same arrangement but with tax on the investment income at 33 per cent (a possible basis, this being the tax rate applying to companies as from 1 July 1993) would produce an outcome of a mere 20 per cent of the former figure — in other words, an 80 per cent reduction!

This 33 per cent tax rate, rather than today's 15 per cent, is likely down the track — after all, income tax started out at a penny in the pound. Such an impost would satisfy three separate government objectives:

- more revenue;
- neutrality between superannuation funds and companies; and
- elimination of the current cross-subsidy from non-superannuation participants to superannuation participants.

The legislation also provides for the imposition of a penal tax rate of 47 per cent on non-complying funds. This can pose an additional risk for members of funds, who can in effect be punished for transgressions by fund administrators or trustees.

Employers, employees and regulators need to be aware that the present superannuation environment is not quite as secure as they all would wish.
## How the Editorials Have Judged Mabo

<table>
<thead>
<tr>
<th>Newspaper/Media</th>
<th>Date</th>
<th>Editorial Comment</th>
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<tbody>
<tr>
<td>Canberra Times</td>
<td>29 April 1993</td>
<td>“Mabo, Mr Keating said last night, provided a ‘more substantial and binding basis for reconciliation’. He is quite right.”</td>
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<tr>
<td>Australian Financial Review</td>
<td>15 June 1993</td>
<td>“Mabo does have the potential to do considerable harm to investment in Australia.”</td>
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<tr>
<td>The Australian</td>
<td>8 June 1992</td>
<td>“The call for ‘land rights’ has often brought fear of indiscriminate claims. But the court’s decision need cause no alarm that a spate of land claims will now clog the courts.”</td>
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<tr>
<td>The Australian</td>
<td>10 June 1993</td>
<td>“Mr Keating is right to run hard on the Mabo decision given its historic importance to the reconciliation process.”</td>
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<tr>
<td>The Age (Melbourne)</td>
<td>12 April 1993</td>
<td>“The issue has the potential for divisiveness. For that reason, the Government needs to proceed with caution and not let itself be pushed into a hasty decision.”</td>
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<tr>
<td>The Sunday Age (Melbourne)</td>
<td>13 June 1993</td>
<td>“For all the anguish and confusion, the High Court’s decision is legally and morally correct.”</td>
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<tr>
<td>Herald-Sun (Melbourne)</td>
<td>10 June 1993</td>
<td>“...the aftermath of the High Court’s decision has a frightening potential to cause more damage. The confusion has sent disastrously negative signals to the international investors, whose money we need to develop our resources...Mr Keating calls his policy ‘reconciliation’. Many Australians believe his interpretation of this word has the potential to split the nation.”</td>
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<tr>
<td>Sydney Morning Herald</td>
<td>5 June 1992</td>
<td>“But the actual effect of this judgment on land rights is very slight.”</td>
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<tr>
<td>Sydney Morning Herald</td>
<td>10 June 1993</td>
<td>“The full repercussions of Mabo are not yet known. But they won’t be anything like the exaggerated claims of both the most avid Mabo proponents and opponents.”</td>
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<td></td>
<td>15 June 1993</td>
<td>“The Mabo decision is not the end of the world as far as future investment is concerned.”</td>
</tr>
<tr>
<td>The West Australian</td>
<td>5 June 1992</td>
<td>“The judgment should give impetus to the process of reconciliation which started in December, with support on all sides of politics, to promote better understanding between Aborigines and the general community.”</td>
</tr>
<tr>
<td>The Mercury (Hobart)</td>
<td>8 June 1993</td>
<td>“Mabo could be used to hasten the process of reconciliation between white and black Australians.”</td>
</tr>
<tr>
<td>The Advertiser (Adelaide)</td>
<td>11 June 1993</td>
<td>“Allow the present Mabo debate and the assumptions underlying it to flow on in the present terms and the cost to Australia will be great and terrible, not only in dollars lost, in jobs vanished but in race relations poisoned.”</td>
</tr>
<tr>
<td>Courier Mail (Brisbane)</td>
<td>3 June 1993</td>
<td>“The Mabo ruling is an impediment [to investment]. It is fruitless to pretend otherwise. But the moral imperative it applies to all of us cannot be denied. It is therefore best if we press ahead urgently with some means of settlement of ancient ills.”</td>
</tr>
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Mabo and Reconciliation

In linking the Mabo decision with the reconciliation process the Federal Government is taking an enormous gamble with Aboriginal welfare and national prosperity.

RON BRUNTON

In his powerful essay 'The New Sovereignty', the black American writer Shelby Steele discusses the way in which the noble goals of the civil rights movement became corrupted by ideas of a collective entitlement to compensation for past injustice. He decries the attempts by black and other minority organizations to perpetuate their influence and position by fostering a perpetual sense of grievance, and remarks that their agendas have often been determined more for their grievance potential than for the improved welfare of their supposed constituency. Steele notes that the points at which there is the greatest resistance in the wider society to the group's demands “will usually be made into top priority issues, thereby emphasizing the status of victim and outsider necessary to sustain the sovereign organization.” He also comments that it is no surprise that the beneficiaries of the separatism this inevitably entails are usually the people who least need help.

Steele's observations have long had some relevance to the way in which Aboriginal issues are dealt with in Australia. The Federal Government is likely to make them even more relevant by attempting to make such a strong link between its response to Mabo and the broader issues that are being addressed by the reconciliation process. Its Mabo Discussion Paper raises the possibility of Aboriginal and Torres Strait Islander self-government, and a compensation package for all Aborigines to make up for past dispossession. The Government is raising Aboriginal expectations well beyond anything that could be justified by the High Court's decision, or that is likely to be politically acceptable to the majority of Australians.

Objective, the terms of the High Court's decision suggest that few mainland Aborigines will be able to claim native title successfully. Nevertheless, there are great uncertainties about the circumstances under which extinguishment may have taken place and a number of other crucial matters. The moral indignation which seems to have animated some of the judges - at least if their language is any guide - could lead to radical decisions in native title cases that may come before it in the future. It should also be noted that the apparent inability to assign any rights and interests "outside the overall native system" (in the words of Justices Deane and Gaudron) would make it extremely difficult to obtain direct economic benefits of any magnitude from land held under such title.

The Government also recognizes that a prerequisite of success in its reconciliation process is the realistic promise of an end to the social and economic disadvantage that many Aborigines suffer. This is going to be very hard to achieve, because despite all the resources that have been directed towards improving Aboriginal welfare in the past two decades, there are few signs of substantial progress.

So it would be wise to keep the complicated and uncharted questions of native title as separate as possible from the seemingly intractable problems that surround reconciliation. Otherwise both issues are likely to turn out badly; grievances will multiply on all sides; and the prospect of achieving anything worthwhile from the reconciliation process will recede ever further beyond the horizon.

Dr Ron Brunton is an anthropologist who heads the IPA's Environment and Aboriginal Affairs Unit, based in Melbourne. The details and consequences of the Mabo decision were discussed by Dr Colin Howard in the previous issue of IPA Review.
MABO AND RECONCILIATION

W.E.H. Stanner: Many Aborigines left their land voluntarily

The Government would probably respond that it has no choice, that the two issues have been linked from the start. Its Discussion Paper on Mabo asserts that dispossession from their land is "central to the social, economic and physical problems experienced by Aboriginal people since colonization." Certainly, the claim about dispossession is made frequently by supporters of land rights and echoed by government reports such as the Royal Commission into Aboriginal Deaths in Custody. But where is the rigorous evidence that would support this claim? Where is the research that demonstrates that Aborigines who have been granted land rights have better health and fewer social and economic problems than Aborigines who lack these rights? Indeed, to the best of my knowledge, no-one has carried out the necessary research, perhaps because of the fear that it might turn out that no link existed, thereby undermining a crucial prop of the Aboriginal movement.

Taboos Inhibit Public Debate

This raises the more general question of the evasions and deceptions that have been so common in the discussion of Aboriginal matters in recent years. Jack Waterford, Deputy Editor of The Canberra Times, recently wrote an article criticizing his colleagues for making "no-go zones of a number of Aboriginal issues." He denounced their "romanticization of life in many Aboriginal communities, the tendency to blame any deficiency on others, and the sullen public silence about issues such as family breakdown, violence and dishonesty." He also complained that the degree of censorship applied to journalists entering areas covered by land rights legislation was stricter than that enforced by the military in wartime.

Few other areas of public concern are hedged in with such forceful and obvious taboos. It has become extremely difficult to have an informed and constructive public discussion about such matters as the way in which traditionalist lifestyles and beliefs might preclude desirable levels of health and material welfare, or whether the collectivist notions that underpin much Government thinking are harming Aborigines' prospects for achieving their goals. The importance of such discussions is underlined when knowledgeable observers — including Lois O'Donoghue, the Chairwoman of ATSIC — suggest that in a number of respects Aboriginal welfare has actually deteriorated over the past couple of decades. But instead of accepting that this might justify a reconsideration of the whole approach to Aboriginal issues, the government and media invariably place the blame on non-Aboriginal Australians for their supposed racism or indifference towards Aborigines and their plight.

This is creating a rather dangerous state of affairs. I think it is fair to say that most Australians are concerned and perplexed about the continuing extent of Aboriginal disadvantage. But when people are told that their genuine misgivings about the direction in which things are moving are evidence of racism and other moral failings, or when they see public figures howled down for expressing similar misgivings, resentment and suspicion are the most probable outcomes.

The Coalition's short-sighted commitment to what is, in effect, uncritical bipartisanship on Aboriginal matters has meant that there are no readily accessible explanations of Aboriginal disadvantage which might emphasize the role that counterproductive and ideologically-based assumptions and policies have played in creating the current situation. Lacking any responsible and sympathetic alternatives, people are more likely to adopt the kind of racist explanations that the Government rightly fears and condemns.

Voluntary Dispossession

The prevarications of current discussion are amply demonstrated in the Government's Discussion Paper on Mabo. Let us return to the key issue of dispossession from land. The Discussion Paper refers to this a number of times,
always giving the impression that dispossession was forced or otherwise involuntary. Thus, in presenting the case for a national compensation fund for Aborigines, it states that native title probably offers nothing "for those whose land was taken away before 1975, and those who were forced off their land so long ago that they could not now mount a native title claim with any reasonable prospect of success." There is no hint of the well-documented fact that in former years many Aborigines voluntarily left their land to take advantage of the new opportunities offered by the towns, missions and cattle stations. Some Aborigines left because of their desire for new material goods, others because they wished to escape what they saw as the harsh regime of traditional custom.

The omission of this significant detail seems surprising on two counts. Firstly, widespread knowledge of the degree to which voluntary dispossession took place would help to calm public fears, by reinforcing the arguments of those who say that the amount of land that could successfully be claimed under native title will be relatively small. Secondly, the one anthropological work that is specifically mentioned in the Discussion Paper, W.E.H. Stanner's White Man Got No Dreaming, contains a long discussion of the matter. In a chapter written in 1958, Stanner noted:

"for every Aboriginal who, so to speak, had Europeans thrust upon him, at least one other had sought them out. More would have gone to European centres sooner had it not been that their way was often barred by hostile Aborigines ... Nowhere, as far as I am aware, does one encounter Aborigines who want to return to the bush, even if their new circumstances are very miserable. They went because they wanted to, and stay because they want to."

Of course, this voluntary departure fits rather uneasily with claims of "the special attachment of Aboriginal and Torres Strait Islander people to their land", which are repeated throughout the Discussion Paper, and in much other commentary, official and unofficial. There is no reason to deny that many, perhaps even most, Aborigines felt a strong attachment to their land (as do a great many non-Aborigines, a fact which is often ignored or forgotten). But we should also acknowledge, as Stanner cautioned, that it co-existed with "other interests; all are relative, and any can be displaced."

This leads to some important questions about the appropriateness of making Aboriginal land held under native or other forms of title inalienable. It further raises the question of the role that current political and legislative imperatives — such as the basis under which land is claimable under the NT Land Rights Act — have played in increasing the incentives for emphasizing a spiritual attachment to the land.

The Government needs to be absolutely confident that dispossession from the land really is "central to the social, economic and physical problems experienced by Aboriginal people since colonization." The reports it is using to establish the connection, such as the Royal Commission into Aboriginal Deaths in Custody National Report, are deeply flawed. In their treatment of the causes of Aboriginal disadvantage, they are muddled, self-contradictory, tendentious, and silent on important matters. 4

By linking its response to the Mabo decision with the issues of reconciliation and Aboriginal social and economic equality the Government is taking a massive gamble with the long-term welfare of Aborigines, let alone national harmony. It may be setting in train a very large transfer of resources that ultimately does little or nothing to end the appalling conditions under which far too many Aborigines live. If such a transfer does occur, and if — as seems just as likely — it is unsuccessful in meeting its objectives, a large number of Australians may truly become indifferent to the plight of Aborigines. Native title needs to be disentangled from reconciliation, and we need a far more candid and unsentimental debate on just and effective ways of ending black suffering.


Mabo and After
by Peter Durack, Ron Brunton and Tony Rutherford

Three essays which explore the important implications of the recent High Court decision in which the doctrine of terra nullius was overturned and a continuing form of native title in Australia was recognized. Senator Durack's essay warns that political division, rather than reconciliation, may be the lasting outcome of the case. Ron Brunton examines the problematic role that oral evidence is likely to play in future land rights claims. And Tony Rutherford presents the economic consequences of the decision and concludes that the most damaging feature of the decision is the high degree of uncertainty it creates for all concerned.

Available for $8.00 (inc. p&h) from IPA, Ground Floor, 128-136 Jolimont Road, Jolimont, Vic, 3002. Or phone (03) 654 7499 to pay by credit card.
Debate

Should Surrogate Motherhood be Legal?

In December 1992 Geraldine Wesolowski, a 53-year-old American, became a surrogate mother to the child of her son and daughter-in-law. Australia's first reported instance of surrogate motherhood (Linda Kirkman, who bore her sister's daughter) occurred back in 1988.

Of Australia's legislatures, only Queensland's totally prohibits surrogate motherhood; but other State Governments and the Federal Government have placed enough restrictions on the practice to ensure that outlawing exists de facto even where it does not exist de jure. Under Victorian law, for example, IVF is available only to infertile couples, which effectively prohibits IVF-assisted surrogacy because it normally involves implanting a zygote in a fertile woman. The Victorian Minister for Health, however, announced in July that while the Government would maintain its prohibition on paid surrogacy, it would 'clarify' the law to enable non-commercial or 'altruistic' surrogacy to occur.

Yes

Gift of Life  What right have we to say to a childless couple "No, you absolutely must not go in for surrogacy, however much anguish you suffer because we ban it"? Or "Yes, all Australians are equal before the law, but other couples can have as many children as they want, whereas you must go overseas, spend vast fortunes and/or risk prosecution before you can have a child"? Surrogacy offers such a couple the gift of life for which nothing else can be a source, or a substitute. The fact that a couple is driven to such lengths to have a child suggests that when it arrives it will be truly loved, even more so than many children born to their natural parents. Because surrogacy involves giving life

No

Weakening of Family Roles  Even moderately successful nurturing of a child presupposes well-defined identities for parents, grandparents and siblings. When such identities are confused, as surrogacy confuses them, a child is prevented from learning appropriate behaviour patterns towards those who bring him up. If surrogacy has ensured that (for example) his grandmother is also, biologically, his mother, then he cannot acquire any sense of the difference between the two relationships, let alone a perception of why either is intrinsically valuable. So much for the claim that surrogacy mothers are hurting no-one!

Affluence, hedonism, radical feminism, punitive taxes and Lionel Murphy's social engineering have made the family unit quite weak enough in Australia anyway. The
it is not open to the same abuses as are, say, euthanasia or abortion which involve taking life.

Controlled and Uncontrolled Surrogacy Nobody is recommending an open-slather policy for surrogate motherhood. Those who practise it will always be few (in Australia, quite possibly as few as a dozen couples per year). The cost, the preference held by almost all women to bear their own children, and the desire not to incur social censure will see to that. The task is to make legislation strong enough and clear enough to ensure that possible abuses of surrogacy can be controlled.

The State’s Limits The State is bad enough at managing the economy; it is certainly incompetent at managing our morals. When it intrudes into the sphere of intimate and private concerns — where matters of conception and birth belong — it is a very blunt instrument. People who want to become surrogate mothers and who appreciate the problems involved are harming no-one except, possibly, themselves. Indeed they are performing a great service for a couple who otherwise would remain childless.

Progress Unstoppable History reveals no scientific or social development which has not been opposed in advance by doom-merchants. Most of these doom-merchants are today remembered solely for having been wrong. Besides, there is no longer any turning back. As with nuclear weaponry, so with surrogate motherhood, we are now stuck with it whether we like it or not. Were we to keep it illegal, we would simply ensure a small but constant supply of people willing to break the law (or to go overseas) in order to get it.

The ‘Natural’ Mystique If one condemns all tampering with ‘natural’ motherhood, one must logically condemn everyone who adopts other people’s children (and, presumably, all contraceptives). Every technological development — including the medical advances which alone have kept people alive to complain in the first place — could be condemned for tampering with nature.

last thing we need is legislation to weaken it further.

Controls Unenforceable The comparison with nuclear weaponry is apt to backfire upon those among surrogacy’s defenders who make it. Assurances that surrogacy can be readily controlled (and its commercial abuses prohibited) by lawmakers are as nonsensical as the similar assurances made from the mid-1940s about controlling nuclear arms. Who will enforce the controls? Pen-pushers in health departments? Parliamentarians, who know little about the ethical dilemmas and scientific techniques involved? Scientists themselves, with their lust for playing God?

Legalization Means

Encouragement Human nature being imperfect, it is effectively impossible to legalize a practice (whether euthanasia, divorce, abortion, or hard drug-intake) without signalling encouragement for it. Legalization would therefore result in encouraging surrogate motherhood, often for the worst of motives: a desire to dispense with the inconvenience of bearing one’s own children, for example. The pressure on women to rent their wombs out for profit, despite the physical hazards, would also increase.

Expense Involved In America it now costs up to $90,000 per IVF surrogacy. There is no reason to suppose that it would be any less expensive here. Moreover, much, if not all, of the cost would in practice be borne by the Australian taxpayer who already foots the bill for existing IVF treatment.

A woman who wants children and who is infertile will experience painful, sometimes tragic, grief. But pain and tragedy are not of themselves excuses for diverting health-care funds to surrogacy programs: funds which could have been spent, instead, on saving lives.

Maternity’s Emotions In practice no motherhood can be described as a rational contract between consenting adults. When a baby is born, the mother — simply through being a mother — is bound to her child by the deepest and most instinctive emotional tie of which the human race is capable. Pascal’s maxim is germane: “Le coeur a ses raisons que la raison ne connait pas” [the heart has its reasons that reason does not know]. Sometimes surrogate mothers decide that they cannot in all conscience give up the infants whom they have borne.

Further Reading
Failing to See the Forest for the Trees

A proposal to fine people for cutting down trees on their own property is short-sighted.

BOB DAY

WHAT, you might well ask, could West African farming and Australian home-building possibly have in common? Well, if there happens to be a tree in either place, plenty!

The 'Amenity Valuation of Trees Draft Standard' has been drawn up by Standards Australia, an independent (but government-funded) organization. In essence it says that if you have a tree on your property and you want to remove it to build a house (or remove it for any reason for that matter) then you will have to compensate the community (financially, of course) for its "loss of amenity". Or put another way, you'll have to give your neighbours some money to help them overcome the loss of enjoyment they had from your tree. And the amounts proposed aren't chicken feed — anything up to half a million dollars for one tree. A decent gum tree will set you back $20,000, a modest pine tree may be only $2,000. How's that for forward thinking? I'll bet no-one has ever thought of that before!

The West African Model

Well, as a matter of fact they have — but with a slight twist.

In the Sahelian region of Niger in sub-Saharan West Africa the Government introduced a law some years ago declaring that all trees belonged to God. Woe betide anyone who cut one down. This had the disastrous effect that land-owners started stubbing out every shoot that emerged from the earth before the forestry officials got to see it, rather than take the risk that it would grow into a big tree and cause them problems in the future. Not only was natural re-growth severely curtailed as a result of this practice, but the resultant erosion and ecological balance was also disrupted with quite serious consequences.

Human nature being what it is I would venture to say that West African land-owners and Australian land-owners are probably not that much different underneath and one could reasonably expect a similar reaction from both.

Playing God

Picture the scene: the Australian Government declares that on 1 January 1994 all trees become the property of God — oops sorry, the community (of which the Government is sole representative). Can you imagine how many trees will be cut down on 31 December? No-one would want a tree in their backyard if they knew it would cost tens of thousands — even hundreds of thousands — of dollars to remove years down the track if it becomes a nuisance. Not only that, but how many people would think twice before planting a tree in case it presented a problem some time in the future? Or what of the philanthropic local resident who thinks his area needs a bit of a lift so he plants trees all over the place with the view of culling a few after a clearer picture is formed of the local landscape. Who would plant any trees at all under these terms?

Who thinks up these ridiculous ideas? More to the point, why are governments so often silly enough to listen to them?

To paraphrase George Orwell: "Only a government-funded bureaucrat could invent such stuff; no ordinary person would be so stupid."

Bob Day is Managing Director of the Homestead Property Group, a South Australian building company.
The Sexual Harassment Inquisition

ANDREW McINTYRE

In Franz Kafka's dark novel, The Trial, Joseph K finds himself arrested for no apparent reason. He is never informed of the charges against him. He becomes progressively entangled in a labyrinth of inexplicable, bureaucratic procedures, phoney courts and secretive investigations. The reader is led to the awful conclusion that the source of Joseph K's guilt lies in nothing that he has done, but in the very fact of his existence.

The plight of Joseph K crossed my mind more than once last year as I became the subject of a protracted enquiry as a secondary teacher employed at an inner-city Melbourne high school. I wish here to set out the strange story with which I became unwittingly involved in the hope that it may help to bring about changes to the rules which allowed it to happen.

As a part of my activities as a teacher I have successfully supervised, over a period of several years, many student-teachers. In May last year a new female student-teacher was allotted to me. All seemed to be going well until after two weeks she became very distressed. At this point we talked and I made every effort to accommodate the concerns she now expressed about overwork, emotional stress in her private life and aspects of my supervision. I was sufficiently ill at ease to inform the school's student-teacher co-ordinator and one of her lecturers at the university where she was enrolled about the suitability of continuing her teaching round with me. I urged the student to seek advice from these people. She apparently did not.

One week later I was informed that she had lodged a formal complaint against me concerning the conduct of the teaching round. I wrote a long and detailed answer countering the several technical points she raised about my supervision of her training. This detailed rebuttal was never discussed with me by either the Principal, the university or the student. However, it was a concluding paragraph in her formal complaint that caused the trouble, setting in process an extraordinary inquiry into sexual harassment which lasted several months. She wrote:

"Further, I considered Mr McIntyre's behaviour outside of the classroom to be unprofessional and offensive. My professional capacity was compromised by his patronizing manner and unrelenting discussion of intrusive topics such as pap smears and A.I.D.S."

Andrew McIntyre trained in Social Anthropology and Musicology in Melbourne, with postgraduate studies in Paris. He worked in Jamaica for two years on a UNESCO-funded Cultural Development Project. He was Research Officer for the Victorian Ministry for the Arts for three years and is presently teaching.
I was incredulous. So that the reader may share my incredulity, I must explain the exact nature and circumstances of the conversation referred to above, for it was this conversation, and nothing else, that led to the inquiry.

The intrusive topic of conversation was, in fact, about conditional probability and the implication this mathematical concept might have on public health policy. I had been reading an excellent book by John Allen Paulos called *Innumeracy* in which he discusses probability theory and its ramifications for public health policy, particularly in relation to a theorem by the 18th-century mathematician Bayes. To illustrate a complex but intriguing argument about probability, Paulos quotes an article suggesting that the pap test for cervical cancer is only 75 per cent accurate. I was explaining Paulos's argument in the school's staffroom to a female colleague of long standing, and further quoting that very day's edition of *The Age*, which reported that the multi-million pound expenditure on pap smear testing in Great Britain was coming under question.

This conversation took place between my colleague and me in the presence of the student-teacher.

Nothing more was said to me until one month later — towards the end of June — when I received, via the Principal, a letter from the Directorate of School Education informing me that I was subject to an investigation for sexual harassment according to the requirements of the Department's Sexual Harassment Policy and Guidelines. As a consequence, an interview was arranged for late July. No specific accusation was made to me at this point. The day of the interview arrived and I invited a senior member of staff to be with me as a witness. The inquisition had commenced.

The investigator first outlined the procedures and meaning of the Victorian Equal Opportunity Act and her understanding of sexual harassment. Her emphasis was on education and raising awareness. We established at the outset that the sole cause of the investigation was the complaint relating to the conversation referred to above. The investigator became angry at the suggestion that the topic of conversation was anodyne and that it would be acceptable even in a secondary school classroom. She claimed that if one student in a whole class objected to the topic then he or she would be entitled to complain under the Act. The investigator wrongly believed the conversation under investigation to have been about pap smears and AIDS, rather than about probability theory. I tried to disabuse her. Nevertheless, she defended the idea that any word in a conversation could conceivably be offensive to a person and thus a justified basis for complaint. She became angry and even suggested that the manner in which I was speaking and sitting could, if she so decided, be considered as harassment. My colleague and I expressed incredulity at this and the investigator then threatened to walk out of the meeting.

When I admitted that I had discussed the matter under investigation with colleagues, she expressed alarm and formally warned me not to talk to other staff members about the incident. She explained that this might appear to be “garnering support” against the complainant. The investigator refused any discussion about the frivolous or vexatious nature of the complaint, about possible distortions in perception the complainant may have had for personal reasons, or about displaced ill feeling relating to her teaching experience.

She revealed that she had already interviewed several members of staff and suggested that I may have engaged in offensive conversations with some of my colleagues. (She refused to state specific allegations.) If I did not co-operate, she said she was empowered to interview every member of the school. What made her information-gathering all the more disturbing is that the very person with whom I had had the relevant conversation — had, at this stage, not been interviewed. Only through my insistence was an interview arranged.

The conclusion of the independent senior colleague at this first meeting was that the investigator had made up her mind that I was 'guilty' and in need of 're-education'.

The Net Widens

Later, by phone, the investigator sought a second interview with me; but she insisted that this time it take place with no one else present. I accepted reluctantly. This second interview was even more unnerving than the first. The trial had moved to the Star Chamber. The investigator implied that I may have been guilty — in conversations with unnamed colleagues — of religious vilification (and even possible racism — until I informed her that I had a Sri Lankan wife). When I could not fathom to which actions of mine she was referring, she said threateningly (and I quote from notes taken at the time): "Andrew, you're an intelligent man, you can work out what I mean."
Subsequent conversations with two members of staff who had been interviewed by the investigator revealed that both felt their observations of my general manner and conversational style had been distorted by the investigator. The accusation of religious vilification turned out to be a misunderstanding of humorous exchanges between a colleague and me about the colleague's religious education. A sense of humour, I felt, was not one of the investigator's principal virtues.

After a final meeting with the investigator and the Acting Principal in late August, I received official notification of the outcome of the investigation. There were no grounds to justify the charge of sexual harassment, but it was noted that the complainant "experienced some degree of discomfort during audiences with you given the nature of the conversation and the appropriateness of the topics which you introduced... You have undertaken to take extreme care in the choice of topics of conversation with colleagues and to seek regular feedback from the Principal." This last undertaking was obtained under duress.

After some reflection, and now that the inquiry had finished, I became increasingly angry at what had happened. I wrote a detailed letter to the Deputy General Manager of School Education, the then-Minister, Mr Neil Pope and the Shadow Minister at the time, Mr Don Hayward. In summary I asked the following questions:

• Why, at no stage, did I receive official notification of the exact complaint against me?
• Why was the sole independent witness to whom the conversation under investigation was directed not sought out by the investigator until I requested it?
• Why and on what authority was the investigation broadened to include matters (conversations with colleagues) not the subject of official complaint?
• Under the Department's guidelines it is stated that "both parties have an opportunity...of an unbiased investigation." Why did this not happen?

I was invited to an interview with the Deputy General Manager to discuss the issues raised above. None was adequately answered, but a compromise was struck on the wording of the official findings. The reference to the "nature of the conversation and the appropriateness of the topic I introduced" was erased. The key sentence now read:

"Notwithstanding that (the complainant) suffered a degree of discomfort during audiences with you as her supervising teacher, I believe that the basis of this complaint was not substantial enough to warrant action other than a discussion with you."

I was still to have "undertaken to be conscious of these matters and to seek regular feedback from the Principal."

The meeting lasted one-and-a-half hours. In that time the Deputy General Manager refused to be drawn on whether the final complaint against Mr McIntyre was or was not `appropriate'. I asked him for guidelines on what was appropriate. He said it was not his place to decide.

As a result of documents obtained under Freedom of Information I learned that the investigator had written slightly different letters to each of the participants in the investigation. To the Acting Principal she stated:

"The final discussion that I held with Mr McIntyre in the presence of yourself was designed to alert Mr McIntyre to aspects of his behaviour and conversations that may sometimes border on sexual harassment as it is described in the DSE Policy and the Equal Opportunity Act (Victoria: 1984)."

At no stage in that meeting, nor in previous meetings, had the investigator established that any aspect of my conversations with colleagues or with the complainant had bordered on sexual harassment. The investigator's letter to the complainant was different again:

"...there are not sufficient grounds to proceed with a formal complaint against Mr McIntyre... However, this does not deny that you were subject to discomforting experiences...if you feel dissatisfied with the outcome you should contact an officer at the Equal Opportunity Commission to discuss the matter further.

"I would like to take this opportunity to wish you success in your new teaching placement and in future positions."

And what of my discomfort? I have received no apology or well-wishing for my teaching career.

Flawed Guidelines

But I do not wish to dwell on the behaviour of the investigator as much as the rules and procedures which allowed her to behave as she did. Much of the blame for the ordeal to which I was subjected must lie with the ambiguities inherent in the "Sexual Harassment Policy and Guidelines" as published by the Department of School Education.

Sexual harassment in Australia is defined within various Acts including the Commonwealth Sex Discrimination Act of 1984 which was passed to give effect to Australia's international obligations under the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. Victoria has its own Equal Opportunity Act 1984 which makes sexual harassment in the workplace unlawful. This is defined as:

"Any verbal or physical conduct of a sexual nature...when any of the following occur: It is uninvited, unreciprocated, unwelcome and/or repeated."

There are parts of the definition which involve the abuse of formal power, but much of the emphasis is on harassment between equals, either between colleagues or between students. Notably, the definition and examples exclude the notion of intent on the part of the alleged offender, emphasizing instead the subjective perception of the complainant.

My school's own policy, derived from the Department of
School Education’s guidelines, includes as examples of sexual harassment: staring, suggestive comments, jokes, name-calling, repeat requests to go out, and requests for sexual favours. Any of the above only becomes harassment, under the definition, when it is deemed offensive by the recipient. To encourage the complainant, the guidelines state: “none is acceptable and none is too trivial to warrant complaint.” So discomfort about the words “AIDS” and “pap smears” will not be considered too trivial by those administering harassment procedures both at the school and the departmental level. Further, it is stated in the Department’s guidelines that the responsible person “provide advice and empathetic support for employees wishing to lodge a complaint...and to provide the complainant with the various avenues available for advice and procedures for complaint.” Guided by this, officials will hardly be inclined to discourage frivolous or vexatious complaints.

The Equal Opportunity Commission, set up by the Victorian Government under the Act, would, under its policy (as distinct from the policy of the Directorate of School Education), have dismissed my case with two or three phone calls. According to one of its officers whom I contacted, the Commission was more concerned with genuine abuse of structural power. In this officer’s opinion the fact that my conversation was directed at a colleague, and not at the complainant, made her complaint irrelevant.

However, in Canberra, the Government has widened the Federal Sex Discrimination Act, effectively bringing it into line with the Victorian Department of School Education’s guidelines on sexual harassment. Federally, sexual harassment, up until recently, has referred to situations where the complainant had reason to believe that refusal of an unwelcome sexual advance would disadvantage her, or him, in relation to employment. The revision removes the need to demonstrate disadvantage or harm. In his second reading speech, before the March election, the Prime Minister outlined the new definition: “The test will be satisfied if the complainant felt offended, humiliated or intimidated by unwelcome conduct of a sexual nature.” In other words, sexual harassment is defined by the subjective feelings of one party in an encounter. Inevitably, those feelings will be influenced by the age and the background of that party.

An unintended consequence of the Department of School Education’s inability to distinguish between the trivial and the serious is a devaluing of the currency of sexual harassment — just as the term ‘fascist’ now has little meaning and ‘racist’ is losing its potency. It is now reported at our school that students rush in crying out “sexual harassment” for anything that annoys them, or especially when they don’t get their own way in interpersonal conflicts. Without a sexual harassment policy, the disciplinary rules and procedures at my school would be quite adequate to prevent or punish genuine acts of harassment.

It is difficult for those outside of a contemporary education institution to comprehend the strength of the ambient ‘culture’ of political correctness therein. It can be pervasive and subtle, silencing and conformist. The staff at my school once received a speaker from the Ministry on harassment policy for an in-service training course. Several intelligent and sensitive reservations and questions were raised at the meeting until a senior member of the administration said, in effect, that anybody questioning the sexual harassment policy of the school was obviously wanting to hark back to a time when men could take advantage of women. After that comment there was no further discussion at that meeting. Silence still reigns.

50th Anniversary Dinner

This year the IPA turns 50. A special invitation is issued to all friends and supporters of the IPA to share in our celebration of this event by joining us at a public dinner on Tuesday, 12 October 1993.

The guest speaker at the dinner will be Australia’s most eminent historian, Emeritus Professor Geoffrey Blainey. He will speak on the topic, “50 Years Back, 20 Years On”.

Venue: ANZ Pavilion, Victorian Arts Centre
100 St Kilda Road, Melbourne.
Time: 6:30pm (dinner commences at 7:30pm)
Dress: Lounge Suit
Cost: $50.00 (includes pre-dinner drinks, dinner and wine)

Reservations and payment should be sent to Institute of Public Affairs, Ground Floor, 128-136 Jolimont Road, Jolimont, 3002. For further information or credit card payments, phone (03) 654 7499.
EMPLOYMENT anti-discrimination laws appear to have widespread support in Australia. The political debate now centres on the manner in which these laws may be broadened, exceptions limited and enforcement strengthened. Witness Prime Minister Keating's actions to broaden sexual harassment legislation and to remove the 'glass-ceiling' allegedly preventing women from achieving their potential. Even Victoria's reform-minded Kennett Government has left the Equal Opportunity Act well alone. This political consensus exists in America as well as in Australia. It is this consensus that Epstein seeks to attack.

As Epstein says:

"My target is the social consensus that supports one or another version of the modern anti-discrimination principle. My method is a frontal intellectual assault."

Epstein is James Parker Hall Distinguished Service Professor of Law at the University of Chicago. He plays a similar role in American academic life as Peter Walsh plays in Australian political life. Epstein has produced a 500-page demolition of the intellectual foundations of the modern anti-discrimination principle. Unlike most books defending anti-discrimination laws, Forbidden Grounds is aimed at a broad audience and is largely jargon-free.

Although Forbidden Grounds focuses entirely upon American law, it is of real relevance to Australian readers, as Australian legislators have slavishly copied the American developments. (In Australian parlance, "disparate treatment" has become "direct discrimination" and "disparate impact" has become "indirect discrimination"). For Australian legislators to follow the American lead overlooks the historical differences between the two countries. There was never any slavery, any Civil War or any institutionalized Jim Crow in Australia. In itself this should represent a dilemma for those groups agitating for anti-discrimination laws. In any other context, the unthinking plagiarism of an American institution would be condemned as yet another example of 'US imperialism' or of a continuing cultural cringe.

The Market Punishes Prejudice

Epstein's central thesis is that the market will protect those groups which suffer from discrimination. A subsidiary point is that anti-discrimination law is a poor way of redressing past injustices. Epstein argues that the market rewards those firms which are colour-blind in their hiring practices and punishes those which are not. A firm which hires according to criteria other than merit will be less efficient and less successful than its non-discriminatory competitors.

"Viewing (hiring) as a continuous process, one should expect to see steady hiring from both pools [black and white] as firms seek the best available worker from any source. It might be said in response that this argument presupposes that firms are rational in their behaviour, which often they are not. But again, there is the confusion between the competence of the marginal and the average firm. The argument works provided there is one firm that understands that it is in its interest to seek gold in a new mine after the old mine has been worked out. Thus, if most firms are unaware of the way in which the quality of the pool changes as items are taken from it, then the firm that is aware of the shift will prosper enormously."

Epstein moves from theory to history and his discussion of the history of race discrimination in the American south is perhaps the most
interesting section of the book. Epstein makes the point that the real problem was not too little government but too much. As he states:

"Huge portions of American racial history are thus concerned not with the behaviour of private markets as such, but with the neutralization of the massive apparatus of state control over private behaviour."

The southern states (supported by the notorious Supreme Court doctrine of 'separate but equal') enforced segregated facilities on common carriers, school segregation, and anti-miscegenation laws. Private markets were not allowed to function. Railroads were legislatively prohibited from offering mixed seating. As Epstein says:

"The dominant evil in the pre-1964 period was not self-interest or markets, inflexible human nature, or even bigotry. It was excessive state power...(It) is best attacked from the limited-government, libertarian perspective as another illustration of Lord Acton's insight: power corrupts, and absolute power corrupts absolutely."

Equality of Outcomes

Epstein's criticism of the 1964 Civil Rights Act and its aftermath is thus two-fold. First he holds that the real problem was excessive state power and that the market and freedom of contract will generate better results for all participants than anti-discrimination laws. Second he attacks the Supreme Court's decision in 1972 in Griggs vs Duke Power Co which transformed the focus of the Civil Rights Act from disparate treatment (direct discriminatory treatment of a particular individual or group) to disparate impact (inferring discriminatory practice to explain the persistence of inequality between groups). As Epstein demonstrates, such an approach is both lazy (it ignores other explanations) and dishonest:

"To speak of these undeniable differences as stereotypes is to use [the Act] to reject information not because it is false but because it does not meet an ideological preconception of what is desirable in human relations or true in human affairs."

The moral force of the Civil Rights Act was directed at treatment, intent and motivation, not at results. Moreover, once discriminatory impact is accepted, the spectre of mandatory quotas is not far behind. How else is one to demonstrate a non-discriminatory hiring policy? Affirmative action is the next logical step.

It is therefore initially surprising to learn that Epstein supports affirmative action. A more careful reading reveals that he distinguishes voluntary affirmative action from involuntary (mandatory) affirmative action. In harmony with his pro-market position, Epstein argues for the benefits of a voluntary affirmative action program, while directing his intellectual blowtorch upon mandatory affirmative action laws.

Epstein briefly deals with age and disability discrimination and ends with a warning that the modern civil rights law "has led to a dangerous form of government coercion that in the end threatens to do more than strangle the operation of labour and employment markets. The modern civil rights laws are a new form of imperialism that threatens the political liberty and intellectual freedom of us all."

It is impossible to attempt to do justice to this book. Epstein promises a frontal intellectual assault and he delivers. Forbidden Grounds is of value to anyone concerned with the woolliness of the current thinking about anti-discrimination law.

1. Sex Discrimination and Other Legislation Amendment Bill 1992, Haward, 3 November 1992, p. 2594. The Bill has since been enacted.

How to Achieve Full Employment

The Federal Government has established an inquiry into unemployment, but seems to have resigned itself to the view that full employment is beyond our national capacity.

JOHN STONE

To set out a prescription for achieving full employment is no mean task, and the more so within such brief compass. I shall nevertheless argue that such a prescription is not in fact unduly complex.

The truth is that we really do know how to achieve full employment. Two things, however, stand between us and its attainment. First, there is the ideological attachment of many of our politicians, bureaucrats and academics to views which are hostile to the policies needed. Secondly, there is the (related) lack of that political leadership required to drive through those barriers.

In essence, two things are required. First, we need a sweeping reform of our labour market arrangements so as to allow employers to offer jobs which they are now legally forbidden to offer. Secondly, we need to lift our national saving game — particularly, but not only, by getting rid of our public sector deficits — so that the additional capital investment required to provide everyone with a job could be chiefly financed from domestic sources, i.e. we would not once again run into balance of payments-cum-foreign debt constraints.

Other policies are, of course, needed to complement those two major ones — for example, committing our Reserve Bank (as in New Zealand) to the sole task of maintaining price stability; pressing ahead with micro-economic reform (including privatization of government business enterprises); and so on. Important though all these are (particularly an 'honest money' policy), space permits no more than mentioning them, while focussing on the two major issues.

First let us very briefly assess the magnitude of the problem.

In June this year the (seasonally adjusted) number of people seeking a job but unable to find one was 966,000, or 11.1 per cent of the work-force.

Also, as of last March, the number of people either temporarily separated from the work-force, or working part-time, who would have preferred to be working, or working longer hours — the so-called under-employed — totalled an additional 750,000, roughly equivalent to an additional 8.5 per cent of the work-force.

Next, what do we mean by 'full employment'?

Prior to the Whitlam Government's 1974-75 'wage explosion', unemployment in Australia throughout the post-War period had only rarely exceeded two per cent of the work-force. We then thought of 'full employment' as being around 1.0-1.5 per cent of the work-force unemployed.

During the Fraser Government years, we had become somewhat less ambitious, and tended to speak of 'full employment' as around three to four per cent unemployment. However, after the ACTU's second 'wage explosion' in 1981-82, and the sharp recession it created, unemployment in the 10 years thereafter never fell below 6.2 per cent (in 1989-90). During the three years succeeding that low point it has averaged 9.9 per cent, and nowadays economists talk wistfully of 'full employment' being reached at around six to seven per cent unemployment.

So deeply has this view now become entrenched that on 30 June this year the Federal Minister for Employment, Mr Beazley, told the National Press Club that it would be well-nigh impossible to reduce the unemployment rate to six per cent in the next six years. This "brutally pessimistic assessment," as one journalist described it, was received with little more than a yawn from a public now grown inured to such judgments.

The fact is that, while a fall in unemployment to around the six to seven per cent level would obviously be very welcome, it would not, in my view, constitute a return to 'full employment' in any socially acceptable sense of that term. Unemployment would need to fall to (say) 3.0-3.5 per cent before I accepted that we had regained 'full employment'.

The question, therefore, is: how do we provide jobs for about 650,000 of those now formally unemployed, plus more work for those additional 750,000 'under-employed' persons,
Let us, by contrast, accept that if such a cut in unit labour costs is necessary to provide everyone with a job, then that is what we should do.

Reform the Labour Market

By far the most important thing holding them back today is the whole rigid structure of federal and state legal requirements which govern the setting of wage rates and other conditions of employment. This structure, which also enormously strengthens the power of our trade unions, is essentially based on an adversarial view of relations between employers and their employees which finds its roots in the old ‘class war’ dogmas of the 19th century. On this view, the more profitable an employer, the more depressed must be the conditions of his or her workers.

Instead of an “employers win, workers lose” approach to industrial relations, we need an approach in which employers ‘win’ and workers (including workers presently unemployed) ‘win’ also. This basic thought underlies the whole idea of enterprise (or work-place) bargaining.

It is vital to understand that true work-place bargaining involves discussing not merely hourly rates of pay, but all manner of conditions under which workers can earn that pay and employers can operate their plants more productively. To become truly competitive, unit labour costs of output (exchange rate movements apart) must be lowered. That can be achieved in two ways: by cuts in hourly pay rates; or, much preferably, by increasing output at the same pay rates.

With the economy operating so far below ‘full employment’ level, nobody can be sure what percentage cut in (average) unit labour costs might be needed to restore employment to that level. To take, however, one estimate which has recently been given some currency, let us suppose that ‘full employment’ could be restored by a cut of (say) 30 per cent in unit labour costs.

The reaction of many Australians to that estimate seems to be one of horror; in effect, they seem to throw up their hands and say, “Clearly, that's impossible; so we must just put up with present unemployment.”

Let us, by contrast, accept that if such a cut in unit labour costs is necessary to provide everyone with a job, then that is what we should do.

If, on that basis, management and its employees in every work-place in the country were to enter into serious discussions about how it might be achieved, what would be the likely outcome? Clearly, it would vary; but the overwhelming likelihood is that in many work-places there need be no cut at all in hourly wage rates, and that in the remainder there would be very few cases in which the wage cut exceeded (say) 10 per cent. The difference between those figures, on the one hand, and the 30 per cent desired cut in unit labour costs, on the other, would simply be in the increased labour productivity which could be generated in all those work-places if people were not prevented, by laws (or industrial awards...
having the same legal force), from arranging their operations differently.

If, for example, there were no 'penalty' rates for weekend work, or for work on public holidays, physical capital (machines, buildings, etc) could be worked seven days a week, instead of lying idle for a day or two each week. If hourly rates of pay (within some agreed maximum number of hours worked each week) were the same whenever they were worked, that physical capital would also be worked for more hours each day, again reducing costs. If we had (say) three public holidays less each year; only three weeks annual leave instead of four; an end to the silly 17.5 per cent “holiday leave loading”, and so on, unit labour cost per man-year would fall on all those accounts. Even such relatively painless changes, by making us more competitive, would bring us significantly closer to being able to provide jobs for all Australians who wanted them.

Are we really, as a people, so stupid and so selfish that we would prefer a situation in which 89 per cent of those who want to work have jobs and the other 11 per cent have not, to one in which 96-97 per cent have jobs (and nobody is unemployed who doesn't want to be), even though many of those jobs may be marginally less well-paid than they now are, and a minority of them may be, by today's outdated 'norms', quite poorly paid?

Do we really believe that it is better for a man or woman (who genuinely wants to work) to be forced to draw the dole, to endure the lack of self-respect, to accept the creeping onset of hopelessness which long-term unemployment in particular brings with it, rather than to have a job, albeit at a pay rate which some trade union official (or some well-paid, and even better superannuated, arbitral tribunal) regards as 'inadequate'?

Let us assume, however, that our present industrial relations mechanisms were swept away, so that full employment (and the wage rates or other conditions of employment which that, in some cases, would entail) were no longer rendered illegal. There would still remain another major hurdle to gaining our objective.

Lift National Savings

That hurdle has recently been the subject of the Fitz-Gerald Report to the Government. As that Report says:

“We cannot...continue to finance the investment we need to grow over the 1990s, and into the next century, by going progressively further into foreign debt.”

Yet the fact is that:

“Australia's national saving...is at its lowest level in two generations. Apart from...the two World Wars and the Great Depression, it is the lowest level of saving this century.”

The truth is that:

“Both public and private saving have fallen substantially...Private saving has begun to recover, but both public and private saving remain historically very low. The main contributor to our long term decline in national saving is a decline in public sector saving...” (i.e. the emergence of large public sector deficits).

Our poor national saving performance is now a major impediment to achieving full employment (even if we were to transform our wage, etc. determination processes) because, in order to provide all those extra jobs, we shall need a major increase in business (and to some extent public) investment.

The capital for that investment must come either from increasing our own national saving, or from foreign capitalists. The inescapable message of the Fitz-Gerald Report is that, while some of that additional capital can still come from overseas (so long as Australia remains attractive for such investment), a much higher proportion of it than recently must now come by improving our own national saving performance.

Note, incidentally, that greater freedom for employers, in co-operation with their employees, to transform their working arrangements would itself invariably mean a lower demand for capital to produce the same output. An obvious example is where machines are worked more continuously. The very act of freeing our labour markets, without which 'full employment' is unattainable, would thus itself contribute towards relieving the demand for capital which providing all those extra jobs would entail.

Even so, there would still be a large increase in the demand for capital; and that increased demand is to be satisfied without driving us unduly further into foreign debt (or foreign ownership of our assets), increasing our national saving must be given priority.

In the public sector, in particular, this will require a greater emphasis on cutting government spending. By contrast, increasing taxes will not greatly assist in raising total national saving, unless those taxes fall disproportionately upon lower-income recipients (i.e. those least able to pay them).

This will be a hard fact for most Australians to accept. So will the associated fact that our all-embracing Welfare State arrangements, which now operate to reduce both the need for individuals to save and the incentives for them to do so, are now clearly working against the national interest and are in need of overhaul.

If we want — as we should — to restore full employment, these, however, are among the matters we shall have to address. Continuing to avert our eyes from them will merely ensure that our unemployment tragedy remains (and continues to worsen). ■
Christ facilitates at Gender Workshop

The Last Supper, as described in the Gospels and depicted by Leonardo da Vinci, has one defect: it fails to meet current targets for the employment of women in senior management positions. A Uniting Church group is doing something about it. It has commissioned Margaret Ackland, a Sydney artist, to repaint the scene of Christ's last meal with his disciples with a more appropriate gender balance. In Ackland's painting several of Christ's disciples have undergone gender reassignment, and one is breast-feeding a baby. But is this true to history? A Uniting Church theologian, the Reverend Dr Dorothy Lee, has looked into the issue and concluded that, while there is no actual proof for Ackland's interpretation, it has the ring of truth. Ackland herself dismisses the question of historical accuracy: "That is not the issue," she says; what matters is today's church needs a new image.

From the Colon

Any leaflet which features the smiling face of our Prime Minister beneath the words "The truth will set you free" (John 8:32) deserves investigation. The leaflet, produced by the Australian Council of Churches and Australian Catholic Relief, advertises One World educational kits for the Year of Indigenous People. Noting with regret last year's anniversary of Columbus's discovery of America, the leaflet moves from a condemnation of contemporary US colonialism ("mushrooming slums on the Mexican/USA border associated with mainly USA industries show COLONIALISM is very much alive") to Australia's handling of the "indigenous question" ("there are basic injustices, even lies, which Australia must face if it is to be healed or become one"). But the leaflet itself is careless with the truth. It claims, for example, that the etymology of the words 'colonies', 'colonization' and 'colonialism' is the Spanish word for Columbus, 'colon'. The Shorter Oxford English Dictionary (admittedly an Anglocentric text) says the origin of 'colony' is the Latin 'colonia' meaning farm or settlement.

Tomorrow, the World

For those committed to the fantasy of One World, the World Constitution and Parliament Association is campaigning for "ratification of the Constitution for the Federation of Earth, to be followed by the election of delegates to the World Parliament." A letter from the Association's Secretary-General exhorts support: "The urgent need for this campaign now, we believe, is self-evident in the long prevailing and growing list of extreme global crises and problems, which have not been solved by negotiations among sovereign national governments. Perhaps you haven't heard of our work," the letter continues; the reason is "the customary disregard by the media of actions which are fundamentally important and which change existing power structures, in order to serve universal human welfare."

Folly has no respect for worldly status or intellect. The letterhead of the Association is crammed with the names of former politicians, former United Nations officials, lawyers and intellectuals in many fields, including some Nobel prize-winners. Among the Executive Cabinet are the former Whitlam Minister, Gordon Bryant, and the former leader of the British Labour Party, Tony Benn. Among the Honorary Sponsors are Justice Michael Kirby, Alexander Dubcek, Desmond Tutu and another former Whitlam Minister, Doug Eversingham. The document lists about 250 supportive Non-Government Organizations, ranging from a branch of the 'globally-thinking' Environmental Law Association in Peru (membership: 8) to the All Pakistan Youth Federation (membership: 4,500,000). This last figure is a good starting point to think about the size of the World Public Service which will be needed as an administrative arm of the World Government.

Survivor Stress

It is reported that the Department of Veterans Affairs pays compensation of $320 million a year to 50,000 veterans and war widows for illnesses induced by smoking taken up because of the stress of war-time service. Governments have an obligation to look after those injured while defending their country, but this seems to be stretching a point. The veteran smokers' pensions are not difficult to get: a veteran need produce only one acceptable expert to justify his claim. Almost 3,000 new smoking pensions were granted last year.

Those seeking a stress-free career should probably avoid joining the armed services. Graham Clark is a case in point. In 1964 Mr Clark was a victim of the collision of the aircraft carrier Melbourne with the destroyer Voyager. While 82 of his shipmates died, Mr Clark escaped with a fractured ankle and some other minor injuries. Some might say he was fortunate, but for 29 years he has been seeking compensation for the emotional trauma he suffered. As The Age put it, "the real hurt was deep inside". In May this year, with a decision by the Federal Government not to appeal against the award to Mr Clark of $650,000, "the real healing had a chance to begin."

Obstacle Course

Golfers may take care of their greens, but the greens do not care for golfers — at least not in South-East Asia. A coalition of environmental groups which, according to The Economist, met in Penang in April, has formed the Global Anti-Golf Movement. The Movement claims that golf courses waste water and spread chemical pollutants. The anti-golfers face some obstacles: the popularity of golf in South-East Asia is growing rapidly (the number of golf courses in Malaysia is likely to increase by 30 per cent in the next decade); Malaysia's Deputy
Prime Minister designs golf courses in his spare time; and the Indonesian President's family is in the business of building them.

Stock to Clear  The cash-strapped Victorian Government is going into the business of selling suits, but Melbourne's tailors and clothing stores need not worry. Although the suits are made from fine Australian wool and are available in a range of sizes, the fabrics and styles are limited: in fact all 350 suits for sale are emerald green and all have the insignia of The Met (Metropolitan Transport Authority) prominently displayed on their jacket pockets. The Transport Minister, Alan Brown, told The Herald-Sun that the uniforms were ordered by the previous Government, at a cost to the taxpayer of $420,000. But the plan to introduce them went the same way as the proposed new ticketing system which was discarded as a consequence of union pressure in 1990.

Discord  One of environmentalism's most famous partnerships has ended in acrimony. Rock star Sting and Brazilian Indian Chief Raoni toured the world in the 1980s campaigning to save the Brazilian rainforests. Now Sting says of Raoni's tribe, the Kayapo: "They're always trying to deceive you. They see the white man only as a good source of earning money, and then as a friend. I was very naive and thought I could save the world selling T-shirts for the Indian cause. In reality, I did little." The bitterness is mutual, reports The West Australian. "The Brazilian Indians do not need Sting," says Chief Raoni: "It would be better if we forgot him."

Although $3.5 million was raised to help preserve the Brazilian forests and aid the Indian tribes, much has been absorbed in administration. Chief Raoni claims that only a fraction of the funds raised reached his tribe. The tribesmen used to earn money by selling timber to Europe, but have been barred from harvesting timber on their own land because of pressure from ecology groups.

Still Cringing  In the 1950s A.A. Phillips coined the term "the cultural cringe" to criticize those who held the view that things Australian were inferior to things British. Today exponents of the cultural cringe find new invidious comparisons. In City Ethics, the newsletter of the St James Ethics Centre, John Milne argues that in our economic and cultural dealings with South-East Asia we should "look to Aboriginal culture for inspiration and instruction." He says: "We, white Australians, consider individual traits like assertiveness, pride, aggressiveness, frankness and familiarity as assets. In South-East Asia, as in Aboriginal Australia, virtues of politeness, humility, modesty and passiveness are more greatly admired in a person." Milne asks: How can we overcome our regional image problem? More courses which teach non-Aboriginal students how to look at history through Aboriginals' eyes would be a starting point, he says.

The Bad Oil  "Oil: the Fuel that Kills" thundered the front page of Green Left Weekly in May. What advice can one offer other than to stop drinking it?

Translator Needed  The employment application form issued by the Australian Institute of Health and Welfare, a government research body, asks a number of puzzling questions: "Are you an Aboriginal or Torres Strait Islander?" "Are you from a non-English-speaking background?" How are such questions relevant to the selection of the best candidate for the position? Even more puzzling is the further question: "Do you need an interpreter for [the] interview? If yes, for which language?" Presumably, a working knowledge of English is not a prerequisite for a position with the Institute.

War of Words  While war rages in the Balkans The Age has discovered a civil war at home: "The War Against Women". A series of articles under this title was launched as the page one story on 3 June: "Epidemic of violence on women", the headline ran. The fact that men are three times as likely to be victims of violence as women escaped the editor's notice.

Most disturbing about the front-page report, apart from the hysteria generated, was the suggestion that committing violence against women is integral to a normal man's conduct. The report opened: "Male violence... is so widespread that some experts believe it cannot be seen as exceptional behaviour by men." And a page-one panel signed by the editor, Alan Kohler, stated: "The violence is done to women of all ages. The perpetrators are all men..." The silliness of this comment earned the paper rebuke from the Governor-General, Mr Hayden, who spoke at a conference on violence in Canberra a week later. The Age reacted indignantly, editorializing: "The Governor-General Mr Hayden is wrong... This newspaper has never suggested that all men commit acts of violence against women." But, of course, it had done precisely that.

The public service performed by Mr Hayden in censuring The Age was not entirely undone by his decision on 25 June to open Australia's first Gay and Lesbian Studies Centre at the University of Sydney, which, according to the Star Observer, "expects to become a major resource centre for the Australian gay movement."
Are the Chemicals Killing Us?

Are we being poisoned by the many chemical additives in our food? Was our diet healthier in the past? Have we grown too removed from Nature? We are often told that this is the case, but such claims, argues Chris Fountain, should be taken with a grain of salt.

CHRIS FOUNTAIN

I consider myself lucky to have spent my childhood in the 1960s. The world back then was a wonderful place. I was too young to understand the fear of the Cold War and the awful spectre of a nuclear holocaust. My world view was instead filled with the prospect of a bright and bountiful future. The transistor radio was becoming commonplace, television aerials were springing up everywhere, and humanity was reaching for the moon. I can clearly remember watching Neil Armstrong on a neighbour's television set take that small step.

The world has changed since then. The sunny future of my youth has darkened, replaced instead by considerable anxiety. There exist sizeable and extremely vocal groups who blame technology for all our ills, and who seem anxious to turn back the clock, to force us all to go back to the good old days when, it is assumed, life was much simpler.

These reflections on my childhood were prompted by the following piece of prose, which appeared in a pamphlet my wife found in a health food shop:

"Humans are the only form of life handicapped by physical misery for long periods of time during their existence, unable to fend for themselves until expiration. Compare animals and birds living in the wild off a balanced environment nature extended to them. They remain active, healthy and independent...

"Until the turn of the Twentieth Century, there was little quarrel about the nutritious quality of food. Fruits and vegetables were grown on organic, fertile soil. Fertilizers were used, but they were NATURAL. Sprays and insecticides were unknown, and natural biological methods were used to protect against insect infestation...Foods were free of chemical additives, preservatives, artificial colours and flavours and other processing methods used in modern methods of mass production. Whole foods were eaten fresh, satisfying the appetite with a powerhouse of dynamic, good nutrition. With the emphasis on natural foods there was an abundance of good health for growing youngsters and mature adults. It was a way of life enjoyed by almost everyone, now envied by our modern synthetic generation...Thousands of additives are permitted in our foods yet many have been BANNED in the USA and Europe."

The claim that our children are slowly, insidiously being poisoned by the very food that nourishes them is a very powerful weapon in the hands of the anti-technology movement. It has an emotional appeal that goes straight to the gut. Few parents want to be responsible for ruining their children's health and future happiness, and the chance that crisp and rosy red apples could give their offspring cancer is simply too great a risk to take.

For this reason, it is worth critically examining the claims of those who tell us that "modern synthetic" living is taking an unacceptable toll of our health and happiness.

Mother Nature is a Kindly Soul

I will start with the assumption that underlies the whole anti-technology movement, and the 'organic' food proponents in particular: the assumption that nature is in some way benign and looks after our well-being. It is implied that we would all live healthy, active lives if only we learned to live with nature rather than fight it. If it is 'natural' then it must be good for you.

The fact of the matter is that some of the most toxic substances known are 'natural' chemicals. These include

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botulinum toxins, which can be lethal in doses equivalent to 10 nanograms per kilogram of body weight (one nanogram is one-billionth of a gram). Botulinum toxins are produced by a common soil bacterium, Clostridium botulinum. Commercial food processors have to be careful in preparing certain types of food to make sure the toxins cannot be produced. Most cases of botulism occur as a result of the home-canning of vegetables.

Other highly toxic natural chemicals include strychnine, and the venoms of various fish, snakes and spiders. At least one person has died of cyanide poisoning from eating a cup of apple seeds in one sitting, and the food processing factory where I used to work as a vacation student had to dispose of its apricot kernels under Health Department supervision lest someone seeking a cure for their cancer suffer a similar fate.

Most of the chemicals in our diets are 'natural' chemicals. These chemicals give our food its flavour. If the flavour changes, then the chemical mix has changed in some way. A potato, for example, contains around 150 different chemicals, whether it is organically grown or not. Green potatoes contain high levels of solanine, a poisonous alkaloid. Peanuts and some grains can be contaminated by aflatoxins, a group of four chemicals known to be potent liver poisons (contaminated meal killed thousands of turkey poults in southern England in the early 1960s) and to cause cancer in rats, ferrets, guinea pigs, mice, monkeys, sheep, ducks and rainbow trout. The contamination of food by aflatoxins is thought to be responsible for the high rate of liver cancer in Qidong City in China, where two out of every three citizens show signs of aflatoxin exposure.

Mother Nature cannot be benign. Too many of her children make their living by eating other organisms. It is not just grass and trees that get eaten. We humans have not been set aside as untouchable. There are many organisms, primarily micro-organisms, that get their sustenance by dining on our tissues. These include the organisms that cause natural conditions such as malaria, yellow fever, typhoid, cholera, bubonic plague, smallpox, polio, schistosomiasis and tuberculosis.

The effects of some of these diseases on humanity have at times been devastating. Bubonic plague wiped out about a third of the population of Europe when it marched through between 1346 and 1350. The pandemics of smallpox and other diseases that followed the European explorers around the Americas and the Pacific after the 15th century are thought to have killed about 56 million people, reducing the population in many parts to as little as 10 per cent of the former level.

The reason animals and birds in the wild live such healthy and active lives is that Mother Nature reserves special treatment for those of her children who become sickly and inactive. They tend to get eaten. Or else they starve to death. Care for the elderly is a relatively modern development. Nomadic societies, such as those of Africa or pre-European Australia, traditionally abandoned their elderly and infirm to whatever fate Mother Nature had in store for them.

**The Nutritious Quality of Food**

The pamphlet stated that up until the turn of the century there was little quarrel about the nutritious quality of food. The truth is that the nutritious quality of food was often poor, and last century there was plenty of quarrel with it.

In 1869, a writer in *Harper's Weekly* complained about the quality of meat on sale in New York: "The city people are in constant danger of buying unwholesome meat; the dealers are unscrupulous, the public uneducated." That same year, the New York Council of Hygiene reported that foods sold in the city's markets "undergo spontaneous deterioration...becoming absolutely poisonous." Three years later, *Harper's Weekly* again noted that in markets throughout New York City there were cartloads of decaying fruit such as bruised oranges and rotten bananas "to partake of which was almost certain death." In New York City, at least, the wonders of fresh fruit and vegetables were unknown. Their sale was for a short while banned in 1832 when it was believed that the cholera epidemic of that year had been caused by eating fruit.

Even people who grew their own food did not necessarily receive the wonderfully balanced diet claimed in the pamphlet. Farmers often subsisted on a single crop — corn in the case of the pioneers in the American west. As food was grown in a relatively small area, the mineral deficiencies of local soils became important. Deficiency diseases were common and included scurvy, anaemia, thyroid disorders such as goitre, and bone disorders such as rickets and osteoporosis. Archaeological evidence gleaned from the skeletal remains of people living before and after the development of agriculture in the Middle East shows that after the Agricultural Revolution people were on average over 100mm shorter and about seven kilograms lighter than their forebears.

These days we benefit from a modern, cheap transport system that gives us access to a wider variety of food than ever before. For people living in the developed world, mineral deficiencies in local soils are no longer the nutritional disaster they once were. Seasonal fruits and vegetables are now available.
all year round, allowing those of us who wish, to choose the balanced diet of pamphlet-writers’ dreams.

**Natural Fertilizers**

It was stated that our antecedents of the 19th century and earlier grew their food in “organic, fertile soils.” And the fertilizers that were used were natural.

In fact, the population of Europe was subjected to repeated famines. To quote Geoffrey Blainey: “Whenever a European harvest failed, people died of starvation, just as they now die in northern Africa. France, fertile France, is said to have had 16 general famines between 1701 and 1800.”

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**Breeding pest resistant strains of food plants is simply a way of selecting those plants which have the highest concentrations of natural pesticides.**

The famines of the 18th century were ended by the development of fertilizers in the 19th. Fertilizers were made from the bones of the fallen in the great battlefields of Europe, and from guano imported from Peru, nitrates imported from Chile, and ammonium sulphate that was a by-product of gasworks. The nitrate deposits of the Atacama Desert were so important a resource that Chile, Peru and Bolivia fought the War of the Pacific in 1879 over one of the most desolate parts of the world, with Chile making territorial gains that severed Bolivia’s access to the coast and took Peru’s southern-most province.

Europe’s dependence on nitrate for fertilizers led to an 1898 warning of impending doom by Sir William Crookes, then President of the British Association for the Advancement of Science. Crookes warned that the nitrate deposits would eventually run out, leaving Europe without the fertilizer that supported its population. Fortunately, a German chemist named Fritz Haber worked out how to make nitrogen fertilizers from air 10 years later. The market for Chilean nitrate collapsed before the deposits ran out.

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**Natural Pest Control**

‘Natural’ methods of pest control include methods of biological control. They also include breeding more pest-resistant strains of important food crops.

About 99.99 per cent of the pesticides that we consume in our food are the chemicals the plants themselves generate to protect themselves from insects or other pests. Washing fruits and vegetables before eating them can do little to remove these ‘natural’ chemicals. Breeding pest-resistant strains of food plants is simply a way of selecting those plants which have the highest concentrations of natural pesticides.

Screening chemicals to see if they cause cancer is usually very expensive, so not many natural chemicals have been subjected to the tests. Many of those that have been assessed using the rules applied to synthetic chemicals were found to be carcinogenic. Gold et al. noted that of the 1,000-plus chemicals found in a cup of roasted coffee, only 26 have been tested and 19 of those are carcinogens — including acetaldheyde, benzaldehyde, benzene, caprylic acid, ethanol, formaldehyde and toluene. They further suggested that if natural pesticides were subject to the criteria applied to synthetic chemicals, the consumption of coffee, lettuce, saffrole containing spices, orange juice, pepper, mushrooms, apples, celery, potatoes, nutmeg and carrots would all have been banned before DDT, Alar, DDE and EDB.

This is not to say that you should not eat these foods. There is plenty of evidence to suggest that a diet high in fruits and vegetables reduces the risk of developing cancer. It would appear that the vitamins, anti-oxidants and other preservatives found in plants more than offset the effects of the carcinogenic chemicals that accompany them. Gold et al warn that “the concern with minuscule residues [of synthetic pesticides] makes fruits and vegetables more expensive and thus serves to decrease the consumption of foods that help prevent cancer.”

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**Chemical Additives**

The pamphlet suggested that the foods of last century were free of chemical additives and so were safer to eat. The additives used in food in centuries gone by were considerably more harmful than those in use today. These include the lead acetate used as an artificial sweetener by wealthy Romans. Milk in the 19th century was commonly watered down and then coloured with chalk or plaster of Paris (even as late as 1902, a New York City Health Commission found that 52.8 per cent of 3,970 milk samples were adulterated). Otto Bettmann commented that in the good old days “Candy could not be made attractive without the addition of strongly toxic substances...the degree of harm depending on the health of the consumer and the amount eaten.”

While the preservatives that are added to many types of food are often claimed to be behind an increasing incidence of cancer, the opposite may be the case. Sir Richard Doll, the epidemiologist who established the link between smoking and lung cancer, estimated that less than one per cent of cancers are caused by food additives. In fact, the range of the estimate varied between negative five per cent and two per cent. Many food preservatives are anti-oxidants which probably offer protection against certain types of cancer. The declining incidence of stomach cancer is possibly due to the use of refrigeration and of modern additives rather than the high concentrations of salt that were formerly used to preserve food.

There has recently been an increase in the incidence of food poisoning in the United Kingdom appears to have trebled between 1980 and 1990. It has been suggested that
this increase can be linked to the current fad to avoid foods with chemical additives.26

Food Processing

The processing of modern foods is much maligned. It is said to strip food of its nutritional value. Yet there are many examples where food processing makes food safer to eat. Aflatoxins provide one example of the benefits of food processing. Most of the aflatoxins associated with peanuts are removed during processing. As a result, eating 40 tablespoons of peanut butter has less associated risk than smoking one cigarette.27

Pasteurization is another example of the benefits of food processing. It has greatly reduced the risks of tuberculosis and other diseases that were once associated with drinking milk (an 1870 scandal revealed that dairy cows being used to supply New York City were so stricken with tuberculosis they had to be hoisted on cranes to be milked28).

Food processing and preserving techniques have increased the efficiency of agricultural production by reducing spoilage. This is still a significant problem in many parts of the world, where as much as 30 per cent of the perishable crops can be wasted by spoilage in transportation and storage.29

They Banned it Overseas

A cry frequently heard from 'organic' food advocates and others opposed to the use of chemical pesticides is summed up by the assertion that, many additives used in Australia are banned overseas. This would be a real worry if the reasons for their banishment were logical. Unfortunately, this is not always the case.

The US Environmental Protection Authority (EPA) has a 'reputation for regulating more on public opinion than on science'30 and a 'tendency...to follow publicity rather than science in its approach to the environment...'.31 This tendency is complicated by the inability of the US judiciary to consider the benefits obtained from the use of a particular chemical when deciding whether or not to ban it.32

Many of the bans are the result of cancers induced by feeding the "Maximum tolerated dose" of a chemical to animals (i.e. an amount just less than that which will kill them) over the course of their lives. The results from the most sensitive sex of the most sensitive strain of the most sensitive animal species tested are assumed to apply to humans.33 The cancer-prone B6C3F1 strain of mice has played a big role in cancer testing.34

The results of some of these tests are not consistent with epidemiological studies on people exposed to them. For example, the exposure of B6C3F1 mice to 625 and 1,250 ppm butadiene (an important chemical in the production of synthetic rubber) was stopped after 61 weeks because too many of the mice were dying from their cancers. However, the exposure of rats to 8,000 ppm for two years caused few malignant tumours. Studies of 1,066 workers exposed to high levels of butadiene during World War II (the legal threshold value at the time was 1,000 ppm) showed a cancer death rate only 75 per cent of that of the general public.35

William Ruckelshaus, twice Administrator of the EPA, has explained the attitude of the organization while he was in charge:

"In a society in which democratic principles dominate, the perceptions of the public must be weighed. Instead of objective and subjective risks, the experts sometimes refer to 'real' and 'imaginary' risk. There is a certain arrogance in this — an elitism that has ill served us in the past. Rather than decry the ignorance of the public and seek to ignore their concerns, our governmental processes must accommodate the will of the people and recognize its occasional wisdom. As Thomas Jefferson observed, 'If we think they [the people] are not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion'.36

While these sentiments are admirable, it can be rather hard to inform the public's discretion while the news media are crying for blood.

There are signs that the EPA's attitudes are changing. Carol Browner, the EPA's new Administrator, has upset the green lobby by announcing that the current rules on keeping trace amounts of carcinogenic chemicals out of foods are "obsolete".37

Similar changes of heart appear to be taking place in Europe. A recent report published by the British Parliamentary Office of Science and Technology has suggested that Britain's water companies are wasting over £1 billion in their efforts to remove trace quantities of nitrates and pesticides from tap water.38 The money is being spent to meet drinking water standards imposed by the European Community Drinking Water Directive of 1980. The EC's environmental directorate has announced plans to revise the Directive to make it more sensible.39

The Health of our Ancestors

The ultimate test of the argument about our modern lifestyle comes down to the claim that our ancestors were much healthier than we are today. If this is the case, then we must clearly be doing something wrong. On the other hand, if it is not the case, then what we are doing can't be all bad.

The claim is easily dismissed by considering readily available medical statistics. An Australian female born in the decade 1881 to 1890 had a life expectancy of 50.8 years, while that of a male child was 47.2 years.30 The life expectancies of Australian children born today are 80 years for females and 73.9 years for males.41

It has at times been put to me that the increase in life expectancy is due solely to the drastic decline in the infant mortality rate. In 1881, Australia's infant mortality rate was about 115.8 per thousand.42 It had declined to 10 per thousand
A century ago her life expectancy would have been 30 years less by 1985. However, Australian Bureau of Statistics figures show a trend for increased life expectancy for all ages over this time. Today a 45-year-old female can expect to live about a decade longer than her ancestors of 1881.

The trends contained in these numbers are apparent in most regions of the world. In 1900 less than one per cent of the total world population was aged 65 years or more. By 1992 the proportion of people in that age group had reached 6.2 per cent. The proportion in Australia in 1986 was 10.5 per cent, while in the US the 1992 figure was about 12.5 per cent. People are living longer, and it is not just because more of us are surviving our first year of life.

Conclusion

One of the criticisms I have of history as taught to me at school was that it concentrated too much on the important events and dates. The history I was taught did not teach me much about the lifestyles of my ancestors a century or more ago. The food back then was not the wholesome, healthy delight painted in the pamphlet. City life throughout most of history was so unhealthy that cities required a constant stream of immigrants from the surrounding country just to maintain their populations (it is estimated that throughout the 18th century in London deaths exceeded births by an average 6,000 per year - over the course of the 18th century, London required 600,000 immigrants just to maintain its population). If school history courses taught what life was really like before the 20th century, people would not be taken in by the nonsense peddled by the anti-technology clique.

4. Underhill, op. cit.
5. Rodricks, op. cit., p. xxi.
22. Quoted by Rodricks, op. cit., p. 118; and Whelan, op. cit., p. 27.
33. Rodricks, op. cit., p.188.
38. Pearse, F., 'MPs told water cleanup is money down the drain', New Scientist, 8 May 1993, p5.
39. Ibid.
42. Yearbook Australia 1988, p. 274.
44. Ibid, p. 275.
46. Yearbook Australia 1988, p. 238.
47. Olshansky et al, op. cit.
Clinton Falters, but America Goes On

FOR the politically minded in the USA, there is only one topic of conversation just now: the personality, policies and political fate of the new President, Bill Clinton. Reports have gone around the world of the stumbles and bumbles of his first few months in office, of the precipitous fall in his poll ratings and the increasingly urgent questions about his credibility, his direction and his steadfastness.

He has flip-flopped on Iraq and Haiti, and seriously mishandled the search for Attorneys-General and other senior appointments. He has retreated from promises of a middle-class tax cut and of allowing avowed homosexuals in the military. He failed to stop the scandals over the White House travel office or his famous Los Angeles haircut. He stumbled to and fro over Bosnia, has had to abandon his fiscal stimulation package, and his entire fiscal and taxation package — the heart of his program — is being redesigned by Congress.

He has centralized the appointments process on his own desk (and perhaps also his wife's). Given the demands on his time, as well as his wish to have a rainbow administration of all colours, sexes and ethnicities, it is hardly surprising that the process has been agonizingly slow. By early June only about 150 out of some 600 senior appointments had been confirmed by the Senate. The official structure through which government business must be done is, in many areas, simply not there. Where it is, many of the new officials are not particularly able. In the White House there is no clear chain of command. Lots of old friends have access to Clinton while some Cabinet members are entirely cut out of policymaking. Clinton himself will not stick to schedules and dislikes making decisions, especially ones which might offend someone. Life in the oval office seems to be a kind of endless seminar. Liaison with Congress is, at best, ineffective.

All that has had a profound effect on public opinion. Clinton's poll ratings have fallen faster and farther than those of any other modern President in his first few months in office. Yet the effective power of any American President depends much more immediately on public opinion than does the power of a British or Australian Prime Minister. As Abraham Lincoln once remarked, "Public opinion is everything. With it nothing can fail; without it nothing can succeed."

Polls are the more important for Clinton because his base has, from the beginning, been weak. He won a mere 43 per cent of the popular vote last November and many who voted for him did so without enthusiasm. He won in the only way he then could: by making disparate and incompatible promises to a great variety of groups. Many of them were bound to be disappointed once he was in office. His problems now are compounded by that disappointment on one side and the need to attract Ross Perot's 19 per cent of voters on the other. His attempts to do so seem to have been damaged rather than helped by the open hostility of some of his staff to the central Washington and television media and the attempt to circumvent them by appealing directly, in 'town hall meetings', to local audiences in cities and towns across the US.

Unrealistic Goals

President Clinton came into office with a hugely ambitious agenda, much of it depending on tax and budget proposals. Tax laws are, proverbially, immensely complex structures. By Congress's reckoning, the deductions, exemptions, loopholes and credits built into the current tax code will cost the Treasury almost $402 billion this year and, if unchanged, would cost $527 in 1997. But it is highly unlikely that the proposals will yield the revenues which the administration hopes for, or even significantly lessen America's budget deficit. The reasons are fundamental and structural. It is a startling fact that between 1960 and 1992 US Government receipts did not vary by more than 0.5 per cent up or down from 20 per cent of GDP. From 1965 to 1970 the top tax rate was 77 per cent. In 1989/90 it was 28 per cent. Throughout, government
receipts stayed at 20 per cent of GDP. The reason is simple and, from the point of view of government planners, depressing. As Professor Feldstein of Harvard University keeps pointing out, individuals and corporations adjust their patterns of saving, expenditure, investment, etc. in response to changes in taxation levels. Wealthy households could trim their taxable incomes by a mere 10 per cent and make three-quarters of Mr Clinton's supposed revenue gains vanish into thin air.

As the Chairman of the Federal Reserve, Mr Greenspan, has pointed out, it is arithmetically impossible for the deficit to be reduced without deep spending cuts, because from 1995 or 1997 the tax base will grow much more slowly than the already mandated expenditures of the Federal Government on such things as entitlements. In other words, the only ways in which the deficit might be reduced is by some combination of deep expenditure cuts (which would involve highly unpopular reductions, especially in pensions) and general economic growth. Yet it is far from clear that tax increases of the kind that Mr Clinton has proposed will hasten the very growth on which so much of his program depends.

Behind all that loom the healthcare reforms, plans for which are being worked out under the guidance of Mrs Clinton. The Administration seems committed to try for two apparently incompatible aims: to provide health care for over 30 million citizens who do not now have it, and to save money, or at any rate cap increases in health expenditure. All hints so far available as to what the reform package might look like include such measures as legal limits on hospital or doctors' fees or on the cost of medicines. All are sure to run into formidable opposition, whether from doctors, nurses, health-care and pharmaceutical companies, insurance groups or other lobbies. In addition, health-care reform, far from saving money, is now expected to cost an additional $100-$150 billion per annum.

A Question of Character

In addition to substantive problems, two impressions — both damaging — have gained ground at home and abroad. One is that the President can be pushed around by strong and determined pressure. The other is that there are few, if any, penalties for opposing him. Under Presidents like Johnson, Nixon or Reagan, even senior and powerful figures in Congress knew that to oppose the President was to take serious risks. The President would not forget or forgive. Sooner or later, retribution would come. Capitol Hill has no similar views about Bill Clinton. Nor does anyone seem very sure what Clinton really believes in. In the words of one former Bush Administration policy analyst, Clinton 'is a pinball moving back and forth to the pressures of external events, without any internal gyroscope to guide him.' Or, as the eminently liberal New York Times columnist Anthony Lewis put it: "What is worrying about Bill Clinton is the possibility that something fundamental is lacking in this very smart man." It is indeed, as George Bush said during the 1992 election campaign, a question of character.

There is an alternative view: President Clinton is a highly intelligent man, typically the smartest in any policy session. He has shown himself capable of learning from experience. It is not unusual for Washington 'outsiders' to stumble when assuming the presidency. There is no preparation for that job and Clinton will learn, as others have done before him. Moreover, for the next four years he will be America's only President and no-one on either side of US politics, still less among US allies, would benefit from a weak presidency. It is therefore not surprising that various people have already come, sometimes quietly, to his aid. A former senior Reagan communications director has joined his staff. Others are following. Clinton has accepted steeper expenditure cuts, accepted the need for a total revision of his energy tax proposals, and backed away from some controversial appointments. Republican as well as Democratic Senators are talking about budget compromises.

Radical Ideals Put to the Test

There are other reasons for some optimism. Some are political. Since the 1960s America has had a semi-permanent oppositional coalition. At its core have been the anti-Vietnam baby-boomers, radical feminists and radicalized black groups. The coalition has been spearheaded by well-to-do, politicized young people of both sexes, graduates of elite universities, sympathetic to the anti-nuclear movement, to hugging trees, to talking about the people' while avoiding flesh-and-blood blue collar workers. They despised of President Carter and despised, successively, Presidents Johnson, Nixon, Ford, Reagan and Bush. They were probably atheist, hated to be labelled the 'Liberal Establishment' and sought to occupy key positions in the media, publishing, the arts, the law, and the universities. They also, and not least, retained an elitist faith in the power of government to manage social affairs, to control the market, to mould society, to do good things. Bill Clinton may have won the election by saying that he was a “different kind of Democrat”, but for these groups and their youthful, idealistic members, the election of Bill Clinton (unlike that of Carter) meant quintessentially that, at long last, their time had come.

It may be no bad thing that, after all these years in intellectual and social opposition, such groups and their new
young representatives in Congress and the Executive are being called on to perform. And, in trying to do so, are finding that many of their assumptions simply will not work. America does not dance to the tune of any government. Society is not there to be moulded. Many things that may sound good in graduate seminars or feminist rhetoric work very badly or not at all in practice. The political balance of the US might eventually be healthier once that kind of disappointment has been digested and once vocal New Age liberals have discovered that church-going, monogamous southerners, or western businessmen with sons at Annapolis or West Point, have at least as many votes as they do. That while American mores will let them do their own — sometimes highly-publicized — thing, that is a very different matter from persuading others to be or think like them. It is true that the disillusionment of the young idealists might lead to an opting out from politics as a whole. But equally it could lead to a reassertion of that traditional American view which distrusts big government and central planning.

American Resilience

What has tended to get lost in the current discussions is the sheer size and variety of America. America can, and has, survived many administrations, good and bad. American institutions are highly resistant to radical change. No President controls Congress, even a Congress with majorities of his own party in both Houses. No President, no Washington ‘administration’ really administers America. It is, for instance, agreed that one of America’s more urgent needs is educational reform. Yet the Federal Government controls just six per cent of America’s education budgets; the rest is spent and administered by States and localities.

Nor are all American problems as serious as the media would have us believe. The US is not, for instance, as divided or ethnically balkanized as some would suggest. A newly-published Latino National Political Survey makes three points:

- it is pointless to generalize about ‘Hispanics’. People think of themselves as Mexicans or Cubans or simply as Americans;
- over 90 per cent of Hispanics think residents of the US should learn English; and
- 90.8 per cent of Mexican Americans were proud of the USA.

Not even the economic problems are quite as horrendous as some headlines suggest. For one thing, Washington does not ‘control’ the US economy in any significant way, and never has. The Federal Reserve has more practical clout than most of the Administration. For another, President Clinton looks like being lucky in the coincidence of his term with the business cycle: the economy is almost bound to recover substantially before 1996. If anything done by Americans could halt that recovery and growth, it would probably be too sudden and too heavy an increase in the burden of taxation. By a nice irony, it is precisely Congressional ‘obstruction’ which, by compelling much steeper expenditure cuts and lower tax increases, may yet save the general aims of the Clinton program.

There are other reasons for distrusting some of the current anxiety. America is facing what may be a new technological revolution. In the next decade or so, it is widely expected that every US business, library, government department, home and school will be plugged into a high-speed, interactive communications network. A single terminal operating via optical fibre cables would be a conduit for words, music, colour images, manufacturing blueprints, and medical information. Much existing technology, including separate television sets, telephones, faxes and computers, would become redundant. All that will require, in tandem, new kinds of private effort and huge regulatory and legal reforms. It is these things, not presidential haircuts or even Cabinet appointments, which will shape the economy and the politics of America beyond the year 2000.

Foreign Policy

What does all that mean for American foreign policy and for US allies? It has to be said that the President has had some partial successes abroad. The economic and political fate of Russia is — and probably ought to be — at the top of his list of foreign concerns; and he seems to have done well on the issues here. Even over Bosnia, for all his stumbling, he has in the end done the right thing: he has refused to get the US involved, especially on the ground, and made it very clear that ex-Yugoslavia cannot be more important to the US than it is to the major European powers. Nor, rightly, was he willing to confront Boris Yeltsin over Balkan issues, which are peripheral to US interests but may be vital for Russia and especially the Russian military on whose support Yeltsin’s fate depends.

In other areas he has been less successful. He has granted Most-Favoured-Nation status to China, but without the serious conditions on human rights which he had wanted to impose and without persuading China to cease exporting missiles and strategic materials. Washington has been particularly wrong-headed on Japan and on trade: the kinds of strategic management of detailed trade outcomes which Secretary Brown and Ambassador Kantor seem to look for would not merely undermine GATT, but cause damage all round. And the Americans seem quite unwilling to acknowledge that if Japan’s trading surplus has hugely increased, it is principally for two reasons: Japan’s domestic recession which has choked off demand for foreign goods, and the increase in Japan’s dollar-denominated export earnings produced by the very rise of the Yen which the Americans have so strongly encouraged.

In other words, Clinton and the Clinton Administration have a long way to go. He will be shaped by time, and by America, much more than he can hope to shape his country. America has huge resources, vast resilience and matchless technical dynamism. And even if Clinton turned out to be a poor President, that might make life rather more difficult for America’s allies than it does for America itself.
Banking and Ethics

Banking, like other professions, is not simply driven by a desire for financial gain, but is governed by moral responsibilities. When these are forgotten, disasters occur.

SEUMAS MILLER

It has been widely reported that the collapse of the Tricontinental Group of Companies is the biggest financial disaster in the history of Victoria and has involved losses of $2.7 billion. And there have been a number of other major banking disasters in Australia and overseas. These recent disasters raise the general issue of sound practice in banking, and emphasize once more the need to bring an ethical perspective to bear upon the conduct of banking. I propose to consider some of the ethical issues centred on the profession of banker.

The ethical dimension of any given professional practice — in this case banking — has what might be called an internal and an external aspect. Two things need to be noted about the external ethical aspect. Firstly, it consists of moral principles that ought to be adhered to by the occupant of the professional role. But secondly, these moral principles are typically not necessary — and certainly not sufficient — for the professional to undertake that practice competently.

These external moral principles — and their associated character traits (virtues) — have such a high degree of generality that they exist more or less independently of any particular professional practice. Such principles and virtues govern behaviour and attitudes in most professional behaviour; for example, the principle not to take human life, or the virtue of honesty. Many such moral principles are enshrined in the law. Thus it is against the law to commit murder, to steal or to engage in fraud.

The internal ethical aspect consists of principles and virtues which are necessary for a professional to undertake his or her particular professional practice competently. Thus, manual dexterity is a virtue which is internal to the profession of surgery but by no means to most professions.

There is no sharp line dividing the internal from the external ethical aspects in any particular profession but the distinction is nevertheless an important one for us to make here, for discussions concerning professional ethics are sometimes conducted as if the ethical dimension to business consisted wholly of its external aspect. Of course — it is sometimes argued — business people ought not to endanger life or commit fraud, just as teachers ought not to endanger life or commit fraud, but there is no further set of moral considerations which ought to constrain business people but not teachers. Naturally — the argument continues — there are standards of professional practice that are particular to a given profession; but professional practice is one thing and morality another. The existence of the internal ethical aspect undermines this argument. Morality is internal to professional practice.

This is not to say that all aspects of professional practice are matters of morality. That would be absurd. It might be unprofessional for lawyers to wear shabby clothing when appearing in court or for doctors to be unsympathetic to their patients, but it is not necessarily immoral.

On the other hand, some practices that are internal to a given profession are matters of morality and not because they violate some externally determined moral principle. For example, if a policeman fails to intervene in an attempted burglary, the policeman has not only failed in his professional duty, he is also morally culpable. Similarly, a doctor is morally culpable if he or she fails to attend to a patient who is very ill.

In undertaking a particular profession individuals accept professional obligations, but some of these professional obligations are also moral obligations. These moral obligations are additional to the moral obligations that they had prior to entering the profession; they are internal to the profession.

Obligations Internal to a Profession

There are a number of questions concerning the internal ethical aspect of the profession of banker. One of these ethical issues concerns the preconditions for undertaking the professional role of banker. A second issue concerns the moral obligations incumbent on someone in that role. Yet a third issue concerns the ascription of moral responsibility for collective actions and policies. For example, who is to blame if a committee makes an incorrect decision?

Professor Seumas Miller is a member of the Centre for Philosophy and Public Issues at the University of Melbourne.
Now perhaps there are professional roles which anyone can undertake if he or she so wishes. Presumably the role of professional writer is one of these. On the other hand it would be morally outrageous for someone to set up as a surgeon without any proper training. Whether or not it is morally acceptable for someone to undertake a professional role without demonstrable competence in that role turns partly on what kind and extent of harm an incompetent professional of that sort is likely to do to people having dealings with the profession. Obviously anyone who holds a senior position in a large bank is capable of inflicting enormous harm on people who entrust their money to the bank. Arguably, therefore, it is a serious moral fault to undertake such a role without demonstrable competence.

Who is to blame if a committee makes an incorrect decision?

It is possible for someone who is a competent banker, nevertheless, to be negligent in the giving and approving of loans and in the monitoring of various banking activities for which he or she is responsible. The claim here would not be that bankers were incompetent to undertake the roles they undertook, but rather that they did not exercise that competence when in those roles.

Once again the moral significance of recklessness and negligence will vary from one professional context to another. It is no doubt foolish, but it is not morally wrong, for a gambler to be reckless or negligent with his own money. But the question that needs to be asked is whether or not ongoing recklessness and negligence is morally problematic — as opposed to being merely foolish — for a banker. The answer is presumably in the affirmative. Just as an inability to competently undertake the professional role of banker is likely to cause enormous harm to depositors, shareholders and clients, so is recklessness in the provision of loans and negligence in the monitoring of loan provisions likely to cause enormous harm to these people.

The point here is that these professional obligations are also moral obligations. They are moral obligations in virtue of the magnitude of the harm to depositors, shareholders and clients that is likely to ensue if these professional obligations are not discharged.

Individual Responsibility in a Collective Entity

The third ethical issue concerns the ascription of responsibility within an institutional framework. In an institutional framework outcomes are typically the result of many actions by many people. Accordingly, there is a tendency for individuals to fail to see themselves as responsible for the outcomes of the collective activity of the institution. This tendency is especially prevalent in a professional context of negligence, incompetence and non-adherence to established procedures.

These responsibilities — responsibilities which, as we have seen, are moral as well as professional — do not cease to be real merely because they are ignored. In the first place, each individual member of a collective entity, such as a committee or board of directors, has a responsibility to follow established procedures. For example, an individual banker ought not to approve large loans without the appropriate supporting documentation.

In the second place, the notion of collective responsibility entails that the decisions of the collective as a whole are the responsibility of each individual member, whether that member in fact influenced those decisions or not. For example, if the driving force behind a dubious loan proposal is some individual member of a board of directors this does not absolve other members of the board of responsibility for the outcome of the loan being approved.

In the third place, no individual member of a collective such as a committee or board of directors is absolved of his or her moral responsibilities merely because those around him or her are failing to discharge theirs. If there is the possibility of individual members opposing irresponsible conduct or resigning, then those individuals who choose not to take either of these courses of action are morally responsible for the actions of the collective.

We can conclude that the ethical dimension is quite central to 'normal' banking practice. Banking, like other professions, is not simply an activity which is driven by the possibility of financial and other rewards to those individuals who engage in it, it is also an activity which is in part governed by professional responsibilities which are also moral responsibilities.

Reform and Recovery
An Agenda for the New Western Australian Government

Western Australia faces an enormous challenge to overcome the legacy of WA Inc. This important study, edited by Mike Nahan and Tony Rutherford, sets out policy changes needed in the areas of debt management, taxation, housing, welfare and crime, local government, industrial relations, education, the processes of government, and health.

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NEWS RELEASE

Administratium
World's Heaviest Element Discovered

The heaviest element known to science was recently discovered by university physicists. The element, tentatively named administratium, has no proton and no electrons and thus has an atomic weight of 0. However, it does have one neutron, 12 assistant neutrons, 70 vice-neutrons, and 161 assistant vice-neutrons. This gives it an atomic mass of 244. These 244 particles are held together in a nucleus by a strong force that involves the continuous exchange of meson-like particles called morons.

Since it has no electrons, Administratium is inert. However, it can be detected chemically as it impedes every reaction it comes in contact with. According to researchers, in one experiment, a minute amount of Administratium was added to a reaction, which then took four days to complete. Without the Administratium, the reaction ordinarily took less than one second.

Administratium has a normal half-life of approximately three years, at which time it does not actually decay, but instead undergoes a reorganization in which assistant neutrons, vice-neutrons and assistant vice-neutrons exchange places. Preliminary studies show that the atomic number actually increases after each reorganization.

Research indicates that Administratium occurs naturally in the atmosphere, but it tends to concentrate in artificial structures built on the lowest tender such as government agencies and universities. It can usually be found in the newest, best-appointed, and best-maintained buildings.

Scientists warn that Administratium is known to be toxic and recommend plenty of red and white fluids and bed rest after exposure to even low levels of the element.

Source: intercepted at the University of Melbourne.
Hal Colebatch is a lawyer and writer living in Perth.

Northcote Parkinson
Maker of More than the 'Law'

HAl COLEBATCH

Peter C. Northcote Parkinson, who died recently aged 83, had his name made a household word by Parkinson's Law: the study that demonstrates why and how non-productive work expands to fill the time available for it and why bureaucracies always grow. Its witty, elegant and entertaining style made the book a best-seller as well as an influential text on government. In 1958 it went through three impressions before publication.

Unlike many such 'clever' books, Parkinson's Law gained a respected and permanent place in the study of public administration from the early 1960s onwards. It can be seen as playing a big part in helping prepare the way for the reaction against big government and for the great privatization debates of the 1980s. It heralded and popularized a turnaround in thinking from the conventional wisdom of the late 1950s and early 1960s that large-scale government schemes and long-term planning would deliver efficiency and national prosperity.

Parkinson's Law has been called a satire, but very few satirical works can have had such a lasting impact. Despite its sparkling style it was in fact well-researched and relied little on exaggeration. Its 'laws' have never been refuted.

The Multiplication of Officials

Parkinson's Laws had their genesis in the author's study of British naval history, an area rich in solid facts and records. What struck Parkinson was that as the British Navy's fighting ships and men dwindled, the ranks of its administrators grew.

As C.S. Forester — whom Parkinson admired enormously — pointed out in the 'Hornblower' stories, during the Napoleonic wars when Britain kept at sea 120 ships of the line, 200 frigates and thousands of smaller vessels, the Secretary of the Navy operated in London with a staff of 40 clerks. Among other facts Parkinson was able to use in expounding the 'laws' were the following: immediately after World War I the British Navy was gutted in the interests of economy. Thousands of brave and deserving officers and men were cast on the scrap-heap. And the administrative savings that resulted? To quote from Parkinson's Law:

<table>
<thead>
<tr>
<th>1914</th>
<th>1928</th>
<th>Increase/Decrease %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ships in commission</td>
<td>62</td>
<td>20</td>
</tr>
<tr>
<td>Officers &amp; men in RN</td>
<td>146,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Dockyard workers</td>
<td>57,000</td>
<td>62,439</td>
</tr>
<tr>
<td>Dockyard officials and clerks</td>
<td>3,249</td>
<td>4,558</td>
</tr>
<tr>
<td>Admiralty officials</td>
<td>2,000</td>
<td>3,569</td>
</tr>
</tbody>
</table>

Of this he wrote sardonically:

"From this we might be tempted to conclude, provisionally, that the rate of increase in administrative staff is likely to be double that of the technical staff at a time when the actually useful strength (in this case, of seamen) is being reduced by 31.5 per cent. It has been proved statistically, however, that this last percentage is irrelevant. The officials would have multiplied at the same rate had there been no actual seamen at all."

As the British Empire shrank, Professor Parkinson looked at the Colonial Office staff. The statistics were much the same:

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>372</td>
</tr>
<tr>
<td>1939</td>
<td>450</td>
</tr>
<tr>
<td>1943</td>
<td>817</td>
</tr>
<tr>
<td>1947</td>
<td>1,139</td>
</tr>
<tr>
<td>1954</td>
<td>1,661</td>
</tr>
</tbody>
</table>

Is it necessary to detail how the Australian experience has followed and indeed exceeded these 1958 statistics?
Professor Parkinson had one of the liveliest and most versatile academic minds of modern times and wrote with a unique blend of scholarship and entertaining prose. Born in 1909, he can be seen as a figure in the tradition of John Buchan, Rider Haggard, Conan Doyle and other Edwardian writers who combined a huge literary production with public service and a life of travel and action. Educated at Cambridge and London Universities, where he took a Doctorate in Philosophy, he spent eight years as Raffles Professor of History at the University of Malaya, retiring to the island of Guernsey in 1960, where he launched a publishing company and produced his own historical plays. He also won distinctions as an artist and soldier. His academic degrees included Honorary Doctorates in Literature and Law.

Intellectual Breadth

Parkinson’s studies of naval history produced major works on the worldwide conflicts of the Napoleonic Wars, include Napoleon’s little-known attempts to build a fleet in the Indian Ocean. He also wrote the life stories of famous characters from fiction, with biographies of C.S. Forester’s Horatio Hornblower and P.G. Wodehouse’s valet par excellence Jeeves. Another best-selling social comedy with several stings in the tail was In-laws and Outlaws. In all, he wrote more than 60 books, including eight novels.

Serious studies included a work of political philosophy, Left Luggage, indicating the moral and intellectual bankruptcy and forthcoming collapse of leftism before many others saw it, and a controversial geopolitical essay, East and West. This last, written in 1963, predicted the rapid rise of Japan as an economic superpower and has stood the test of time as a work of prophecy remarkably well. In this book he pointed out, at a time when the world was preoccupied with the fear of nuclear war, that future wars for territory would still be fought with conventional armaments that guerrillas could use: a prediction proved right in Vietnam, Afghanistan, Bosnia and every other war-theatre since.

“Ministers should not begin by ascertaining what their departments need. They should begin by asking what the country can afford to spend. We do not base our personal budget on what our past extravagances have taught us to like but on the income we can fairly expect to receive.”

“A declining institution — whether a country, a university, a trade union or a business enterprise — is one in which the leaders have lost their way, have forgotten above all what exactly they are trying to do.”

C. Northcote Parkinson
Green Liberals

It is hardly surprising that the enormous shock of defeat on 13 March should produce muddle and gloom in the Liberal Party. As part of the inevitable hunt for culprits, concerns about the supposed narrowness and insensitivity of the leadership have been raised and many Liberals have responded to these concerns by calling for a significant shift in the Party's philosophical direction. At the same time they have urged that the Liberal Party follow Labor's example by forging strong relations with groups which claim to represent community interests on environmental and other issues. The new Shadow Ministry shows that these calls have had some impact: at least two of the new faces, the Shadow Minister for the Environment and the Shadow Minister for Aboriginal Affairs, are former members of Greenpeace.

Christine Gallus, who has been given the Shadow Environment portfolio, joined Greenpeace in Canada in the 1970s and cited her membership to *The Australian's* Lenore Taylor as evidence of her long-standing concern for the environment. Ms Gallus also argued that the Coalition's decision to return to separate portfolios for the environment and resources would demonstrate its serious intentions about the environment. She stated:

"I can put the strong case for the environment and someone else can put the strong case for development and hopefully what is sustainable will come out of that."

Clearly, Ms Gallus is a committed environmentalist who will argue a clever and forceful case. Dr Hewson and his advisers probably feel that she is in a good position to help with fashioning a different image for the Liberals amongst the major green organizations. Her previous involvement in environmental campaigns is likely to make her more acceptable to these groups than possibly any other Coalition parliamentarian. And at present, greens are not showing much enthusiasm for Labor. After all, Mr Keating seems to have little personal interest in environmental issues, and he has made no secret of his irritation with influential sections of the green movement. His reappointment of Ros Kelly as the Minister, rather than, say, Senator Bob McMullan, displeased many activists. The Queensland Greens Party is even talking about directing preferences towards the Coalition in the next State elections, provided that the Coalition's policies are "as good as or better than the Labor Party's, and if they preselect green-leaning candidates in marginal seats."

So the Opposition could have the best opportunity in many years to win over important elements of the environmental movement — or at least to give the movement less cause for making potentially damaging criticisms. The Coalition would need to continue the drift towards a 'greener' position, thus helping to give greater legitimacy to the prognostications and programs of the environmental groups, and making the achievement of their aims more likely. Such a strategy would obviously be in the interests of these groups, who can be expected to provide every encouragement — no matter how weakly or cynically grounded — for such a development.

Conflicting Philosophies

But it is another matter as to whether this strategy would be in the interests of the Coalition, even if these interests are defined purely in terms of winning and holding on to government. The assumptions and objectives of organizations such as the Australian Conservation Foundation, The Wilderness...

*Dr Ron Brunton heads the Environment and Aboriginal Affairs Unit of the IPA, based in Melbourne.*
Society and Greenpeace are very different from those held by the Liberal Party or the National Party.

There are many members of green groups who believe that solving the 'environmental crisis' — whose presence they detect everywhere — will require a radical transformation of our social, economic and political institutions. For them, the 'crisis' is largely a consequence of the very values and lifestyles that the Liberals are supposedly defending.

Liberals may believe that they can respond to the challenge of environmentalism by being selective, adopting only the reasonable aspects of the green agenda. But as past experience has shown, when they do this, the environmentalists are usually able to use Liberal endorsement of their proposals to pressure the ALP into adopting a similar — or more radical — position. The most recent issue of Greenpeace Australia News boasts how the organization used this tactic in Christine Gallus's own electorate of Hindmarsh as part of its campaign to reduce the lead level in petrol.

In any foreseeable electoral contest with the Labor Party played out according to the environmentalists' terms, the Coalition is most unlikely to win. At the very best, it may come out even. If the Coalition adopts a greener position than Labor on some issues — as it did in the 1990 elections — the overall package that the Labor Party can put together for an election will almost certainly compensate for any specific deficiencies. And when an ALP government has the good sense to renounce on elements of its package, it can be reasonably confident of weathering criticisms. Whatever greens might say mid-term, they and their supporters will be loath to do anything that could actually lead to the election of a Coalition government.

But even if a greener Coalition were able to attract some environmentalists' votes, these would be more than offset by the costs in other crucial areas. The Coalition would be further compromising its ability to demonstrate that it has a broad, coherent and convincing vision of the nation's future that is attuned to mainstream values. Instead of establishing its own authority, the Liberal Party risks taking in a Trojan Horse, increasing the already far-too-substantial authority of groups who will always be hostile to its philosophy and programs. In seemingly failing to recognize this, the Party is showing that those who criticize its leadership for narrowness may have a point.

By making such comments, I do not wish to minimize the importance of environmental issues. But just as a commitment to national prosperity does not entail that the Liberal Party accepts the views of Martin Ferguson or John Halfpenny on how it can best be achieved, so too can environmental concerns be addressed without adopting the approach advocated by the ACF or Greenpeace. The Liberals should not be out-manoeuvred into adopting a program which is inconsistent with their agenda for economic and industrial reform, or which implies that there is some inherent contradiction between economic development and the interests of the environment.

If the Liberal Party is to continue arguing the case in other policy areas for smaller and less intrusive government, for the desirability of private and competitive enterprises rather than public monopolies, for the importance of individual initiative and responsibility, why should it make an exception in the case of the environment? If it appears to concede that environmental welfare requires powerful regulatory controls and strong oversight from Canberra, how convincing will its arguments for market processes and against centralism seem in other areas? Breadth of vision requires policy directions that are mutually reinforcing rather than contradictory; an ability to show people how proposals dealing with the issues that most concern them are linked into a reasonably coherent whole. Splitting the sustainable development and environment portfolio and hoping that something good will result from the clashes between the respective Shadow Ministers was to take a wrong step from the start.

Taking the Initiative

The Coalition does not need to be in any hurry to adopt detailed environmental policies. It should state, passionately and often, its absolute commitment to sound environmental management and sustainable development, and leave no doubt that it accepts majority concerns about the environment. But it should not make itself forever vulnerable by allowing Labor and the greens to determine the agenda. It must establish its own environmental priorities. These should be based on a sound assessment of the real issues to which Australia must respond; as opposed to those — such as the threats of disaster from the enhanced greenhouse effect — that have been exaggerated, or even invented, by environmentalists interested in economic, social and cultural transformation.

The Coalition should be taking every opportunity to explain why current approaches are likely to be counterproductive and to gain wider public acceptance of market and property rights approaches that are consistent with its overall philosophy. It should stress that its approaches can encourage the flexibility of procedures and diversity of solutions which are essential for effective responses to the many unknown factors that environmental problems may present. It should use favoured environmentalist notions such as intergenerational equity to justify its own reform programs, and to hammer home the damaging consequences — environmental, social, political — of deteriorating living standards and a widespread sense of declining economic opportunities. It should be more willing to tackle the misrepresentations and outright dishonesty of the greens, and seek to deny them the moral high ground they have enjoyed for so long. Its links with environmentalists should be with the genuine doers, rather than the rent-seekers and those who have merely found new packaging for their utopian collectivism.

Certainly, in the short term, such a strategy will be more difficult and demanding than one that attempts to find favour with the greens. But if the Liberal Party and its philosophy are ever to regain their former degree of acceptance and authority, there is probably no alternative course of action.
What’s in a Name?
Political Labels in the 1990s

Policies which urge a quickening of the pace of economic reform and challenge privileges are called ‘right-wing’. Other policies, which favour extending welfare to the rich and consolidating the power of large interest blocs, are called ‘left-wing’. The old political labels seem to be losing their sense.

ANDREW NORTON

Political labels are in a state of flux. “Increasingly meaningless” was how ‘Left’ and ‘Right’ were described by the Australian Left Review in its final issue last March.

Dissatisfaction with political labels is nothing new. Liberals and libertarians regularly object to sharing the label ‘Right’ with conservatives, and none is happy with a description that also includes fascists. Social democrats usually like to be linked with the ‘Left’, but deplore the association with communism and other extremist ideologies that comes with that label. In the last few years, though, dissatisfaction with political labels has been particularly strong. This is more than just people being upset at being grouped together with undesirable political forces. It is a growing recognition that some of our current political labels no longer tell us much that is interesting about the individuals and groups to which they are applied.

Labels are useful in helping us map the political landscape. It is not a map that gives great attention to detail; it is impressionistic and simplifying. Labels should not be taken as implying that people who share them are necessarily in full agreement. Rather, a label suggests that on certain important political issues those who share the label are likely to line up on the same side, whatever their other differences. Labels facilitate political life, assisting potential allies to identify each other and probable opponents and enemies. It is these mutual identifications that form the basis of the coalitions, groups, factions and tendencies that are the basis of much political activity.

Labels cease to be useful when they are no longer able to perform these functions, or perform them only badly. ‘Left’ and ‘Right’ are “increasingly meaningless” because as people reflect on their political beliefs, the old ‘Left’ and ‘Right’ labels seem less able to map the political landscape with any great degree of accuracy.

Left, Right and History

The labels ‘Left’ and ‘Right’ originated in 19th-century Europe. In the legislatures of the day, conservative representatives of the aristocracy and the established order tended to sit on the right of the chamber, and democratic and liberal forces tended to sit on the left. In some countries, the labels still reflect their early meanings. This is why, for instance, it is not just media inaccuracy or distortion when pro-communist forces in the former Eastern Bloc are described as ‘Right-wing’. It is these pro-communist forces that represent the old order, a centre of privilege resisting change — just like the aristocracies of the 19th century. Based on the historical analogy — with the Right defending the old privileges it also makes sense to describe some of the communists’ most bitter enemies as being on the Right also. The ‘Right-wing’ white defenders of South African apartheid are

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an example of this. In this context, ‘Left’ and ‘Right’ refer not to the substantive content of political beliefs, but to attitudes toward change. For this reason, conservatives have the greatest historical claim to use of the label ‘Right’, since continual themes of conservative thinking are the undesirability of change and decline from some previously existing and preferable state of affairs.

In those nations undergoing fundamental change — such as in the former Eastern Bloc or South Africa — the Left/Right labels still have meaning. There, the most important and immediate question is whether a given person or group supports or opposes a radical re-ordering of the nation’s affairs. The detail can come later. In Western democracies like Australia, however, which are undergoing rapid but not revolutionary change, the labels do seem to have outlived their usefulness. It is difficult to classify unambiguously many individuals and political groupings as being for or against change.

For example, economic rationalists are conventionally classified as being on the Right. Some already privileged sections of the community would do well out of economic rationalist policies, so from that point of view the classification fits with the historical use of the label ‘Right’. However, there are also privileged groups which feel threatened by economic rationalism. Many currently powerful trade unions and interest groups will see themselves greatly diminished by the policies of economic rationalism. In this sense, economic rationalists are on the Left, attacking the old order. Based on the for change/against change dichotomy, the economic rationalists do not seem to be easily categorized as either Left or Right.

Some of those opposed to economic rationalist policies are similarly difficult to describe by reference to their attitude to historical change. Many of economic rationalism’s opponents regard themselves as of the Left, and are generally accepted as such. In some areas of policy, they favour radical change. Yet in other areas, they seem to be edging toward views we would normally describe as ‘conservative’, and therefore on the ‘Right’. For example, one of the first books to attack economic rationalism was The New Right’s Australian Fantasy. All its contributors were on the ‘Left’, but the book’s back cover claimed that they were concerned to “protect what is good about this place.” Arena magazine, an intelligent journal of the Left, recently ran an article entitled ‘Bring back the Sabbatarians’. Admittedly, its author did have good secular reasons for defending the day of rest. But the open appeal to a movement so strongly associated with conservatism was remarkable.

More unexpected still were some of the views expressed by Boris Frankel in his survey of Australian intellectual life, From The Prophets Deserts Come. Early in his book Frankel comments that “alas, in recent years the advocates of revolution have become outcasts in the social desert.” On this count, Frankel is very much a man of the Left. By Chapter Four, though, Frankel is giving us a surprisingly sympathetic account of the problems cultural conservatives have with market capitalism — even though he still strongly disagrees as to which alternatives to a market economy are preferable.

Left, Right and Shared Ideology

If Left and Right are no longer useful as a guide to attitudes to historical change, then the other option is to see if they refer to more substantive common opinions. Once again, we find that often they do not. Traditionally, Australian liberals and conservatives have been categorized together as the ‘Right’. Their alliance rested on two solid foundation stones — opposition to Labor’s ‘socialist’ economic policy and anti-communism. Both these foundations have eroded away, with the ALP moving to market economics and East European communism collapsing. The ‘Right’ has been deprived of clear common enemies.

Without these shared causes, the liberal-conservative relationship has lately been characterized more by division than unity. Deep disagreements have emerged in economic and social policy, especially over protectionism and pornography. Liberals have generally stood for phasing out industry protection and opposing censorship, at least of so-called non-violent erotica. Conservatives have tended to support protectionism and wanted to close the loopholes that currently allow X-rated videos to be sent by mail order from Canberra and the Northern Territory. It is not that there are no areas of general agreement. Liberals and conservatives can still find common cause against radical Greens and ‘political correctness’. At the moment, though, these seem to be relatively minor matters compared to the differences over economic policy especially. In the absence of shared views on many of the major political issues of the day, there does not seem to be much descriptive value in classifying liberals and conservatives together under the label of the ‘Right’.

On the Left, too, there is a feeling that really they do not have many agreements on substantive policy issues. Greens clash with those in the labour movement whose members’ jobs rely on ‘environmentally unfriendly’ industries. Pro-censorship feminists clash with an earlier generation of leftists who fought to increase sexual freedom. Many social democrats think markets should be the basic economic organizing force, while those further Left remain firmly opposed to freeing up the economy. In the words of the editor of the Australian Left Review, “the Left as a whole is pretty fragmented and confused nowadays.”

Issue Oriented Labels

There may be a point in time when the old Left and Right labels re-assert themselves as useful categories, pointing to politically coherent groups — movements that, whatever their internal differences, represent two opposed views of the world. For the moment, though, Left and Right do not seem to be very helpful terms. There is too little agreement among those traditionally classified under these labels, and too many broad policy agreements that seem to cut across the old Left/Right boundaries. The ‘big’ labels of Left and Right tell us too little in a world of fragmented political beliefs. The useful labels now are the ones that do point to groups which can reach some kind of agreement; and I suggest that increasingly this agreement will be based more on policy similarities.
than shared ideology.

One of the best established of the new issue-oriented labels is 'economic rationalism'. Economic rationalists broadly agree on a range of issues. They are in favour of freer markets, less protection, privatization, enterprise bargaining and (more controversially) smaller government. This broad agreement on policy issues conceals a wide variety of different motivations for supporting economic rationalism. Social democrats are economic rationalists because they think it will deliver on their goals more effectively than traditional left-wing economic policies, liberals because they think it will increase individual freedom, businessmen because they think it will make their firms more competitive and profitable. The unity is on issues, not ideology. Views on economic matters do not necessarily say anything about likely views in other areas of policy. The social democrats are clearly cutting across traditional ideological lines, and despite their new agreement with old foes on economic issues, they may still prefer social and foreign policies conventionally supported by the Left.

The opponents of economic rationalism have suffered from not having a label helping them see how much they have in common. For the most part, they have kept in their old ideological corners of the Left and Right, running separate campaigns. Bill Kelty and Malcolm Fraser did get together to launch Shutdown: The Failure of Economic Rationalism and that book did get Michael Pusey, Hugh Stretton, Robert Manne and John Carroll between the same covers. However, this has been the exception.

Paul Kelly suggests the label "sentimental traditionalists" to describe the opponents of economic rationalism, but I doubt this will catch on. The sentimental traditionalists are not likely to adopt an insulting self-description and unless they do it will struggle to enter general usage.

It is just possible, though, that 'communitarianism' will be the label to unite Left and Right against economic rationalism. The term has intellectual pedigree; already being used to describe a distinguished group of political thinkers. In America, the source of many of our political ideas and movements, communitarians seem to be a growing force. Like the anti-economic rationalists in Australia, American communitarians are drawn from across the old ideological boundaries. The communitarian journal The Responsive Community runs articles about reforming America's healthcare system (one for the Left) and protests Calvin Klein selling underwear by using photos of pop singer Marky Mark grabbing his crotch (one for the Right).

The unifying theme is opposition to letting the market decide, whether this be the distribution of goods and services or on the acceptability of Calvin Klein's advertising. This unifying theme is apparent in Australia also. Many of the people opposing economic rationalism are also pushing to reverse the expanded sexual freedom of the last 20 years. They are doing so for different reasons — people from the 'Right' because they worry about declining moral standards, people from the 'Left' because they think women are being oppressed. However, what matters here is not underlying ideology, but shared positions on major political issues. The communitarians would politically profit from recognizing that the traditional Left/Right divide is hampering their effectiveness on issues they both regard as important. Old labels are getting in the way of new alliances.

Bi-ideological Politics

The breaking down of the old political labels promises to have positive effects on our political life. While the strong Left/Right demarcation of the past helped each side maintain its strength, it did so at the price of political polarization. On both sides, the depth of the conflict created pressures toward orthodoxy. Taking a view commonly associated with the other side was not a good career move. With the Left/Right boundaries increasingly blurred by people and issues that do not seem to fit neatly on either side, opportunities for the exchange of ideas and genuine debate should increase.

This is already apparent in the social democrats' adoption of the market. Social democracy got a new lease of life from the importation of market ideas, which pointed to innovative new ways of achieving old social democratic goals. With growing scepticism about the ability of the state to meet the expectations placed on it, social democrats, liberals and conservatives are all exploring ways in which non-state institutions can be used to implement public policy. There should be plenty of opportunity here for intellectual cross-fertilization.

While many of the ideas that are at the centre of the new areas of consensus interest are most recognizably from the liberal tradition, liberals can learn from the work of representatives of the other old ideologies. Both the social democratic Left and the conservative Right have paid more attention than liberals to what is now called 'social capital' — the values of trust, community, respect for others and honesty on which both market and democratic institutions depend. The easing of the polarization associated with the old labels should see the varying political traditions more willing to consider each other's ideas.

President Clinton has been described as 'bi-ideological' for his eclectic poaching of ideas from different parts of the political spectrum. In this, he may be typical of the politicians who emerge in an era in which some of the old political divides have broken down. We are yet to settle on appropriate names for some of the new issue-oriented political alliances that are forming around the Western world. But politics has changed, even if some of the labels are taking a little while to catch up. ■
A Question of Allegiance

Introducing a republican oath of office for Ministers of the Crown when Australia is not a republic raises serious and intriguing questions.

BRUCE A. KNOX

A number of questions arise in connection with the Federal and Queensland Governments' intentions to remove reference to the Queen from oaths of office, including those of Ministers of the Crown. The questions raise serious doubts about the propriety of the measures proposed, and their long-term effect. They indicate unambiguously the willingness of Messrs Keating and Goss, and perhaps the parties which they lead, to install aspects of a republican form of government without the inconvenience of resorting to those prescribed methods of constitutional amendment by which alone they could have a chance of securing an actual republic. They also point to a couple of basic features of our Constitution which need perhaps more elucidation than they usually get.

The most obvious or immediate question is whether the Keating-Goss attempts to abolish oaths of allegiance to the Crown might be legally challengeable. That is a matter for those who have the motive and resources to act, if possible, on the advice of counsel. A component of a legal argument might, however, be one which touches the relationship of legislature and executive. Was the Federal Minister (the Attorney-General), who recently assumed office by taking an oath which omitted any reference to his sovereign, permitted so to do by legislative enactment? My impression is that the decision was merely one taken by the Prime Minister and his associates — i.e. the Government. Yet the proposals are such that, surely, they warrant discussion in Parliament, for they are at odds with the clear intentions of the Constitution, and with general constitutional practice and assumption in this country.

Perhaps there are so-called precedents, coming, probably, from 'new Commonwealth' countries? It reminds one of measures taken by the Irish Free State in the 1930s, when, as a step towards getting rid of him altogether, the King was removed from the Constitution except in relation to international affairs, for which the Crown was, at the time, indispensable. Is it proposed by the Australian Government to act on that precedent? Certainly, it would be consonant with the Prime Minister's declared intention to convert this country into a republic. But he ought to observe that the Irish — who had fish to fry which even Mr Keating could hardly claim on our behalf — treated the matter as it deserved — i.e. to do with constitutional amendment.

Legal challenge is an extreme mode of criticism. If undertaken, and especially if successful, it would be a salutary rebuff to those who seem to think that making Australia into a republic is a simple matter. But the question of oaths impinges on a more extended view of constitutional arrangements and values. It would seem to me reasonable for individuals to question the legitimacy of the claim of ministers and other functionaries to exercise the Crown's authority without having acknowledged allegiance to that Crown. By refusing to swear or affirm allegiance, they presumably repudiate it. Can they...
then be said to acknowledge obedience to the sovereign? It is difficult to see how. It is then but a short step — if indeed there is any step — to denying that the Queen, represented by the Governor-General, is the source of their authority. This is not merely a breach of convention. It could be said to be in conflict with Sections 61 to 64 of the statute which we call “the Constitution”. Might such 'ministers' be presumed, therefore, not to acknowledge that the authority vested in them is but temporary, and must be delivered up in due course (i.e. on loss of parliamentary support following an election, by command of the Governor-General advised by the Prime Minister, et c.)?

Subjects and Citizens

An important, though at first sight arcane, aspect of the monarchical principle in our constitution and system of government is involved in these questions. There are those who claim to be troubled by the feudal (as they are pleased to call it) notion of a 'subject' who owes 'allegiance' to a monarch. They are wrong to be so, for the status of subject is the component of citizenship which most authentically provides — as far as anything can, under the complexity of modern political society — that reciprocity between those who govern and those who are governed, which everyone would agree is desirable; and it does so precisely because it is of 'feudal' origin (if not earlier), and without necessary recourse to elaborate codification. Let us agree, however, that most people would certainly be surprised to be described as an 'Australian Subject'. Yet, although we do not, and presumably will not, ordinarily use that term, it is one worth pondering, for the status it describes naturally exists under the Australian monarchy and bears directly on the present questions.

A good deal of republican sentiment is influenced by the fact and doctrines of the French and American Revolutions, not least those aspects relating to 'citizenship' as a construct designed to repudiate either a particular allegiance (Americans declaring themselves no longer subjects of George III) or monarchy in general and its associated traditions and ranks (the more profound exercise in discontinuity undertaken by the French). They have but a limited place in our political culture, however, and none at all in our constitutional system.

On the contrary, we have the benefit of that British monarchical institution and accompanying tradition which survived and flourished, even in the age of revolutions, supporting a status of 'subject' indistinguishable in effect from that of 'citizen', but deriving more substance as well as legitimacy from the fact of its continuity. It has a most practical and contemporary value, for it has enabled the emergence of a system of government originally based on the acknowledged by the sovereign of extensive obligations to his or her subjects, in return for their obedience. 1

Of course, allegiance has ceased to be, strictly, a personal commitment to the sovereign, though personification is a valuable element in it: it is easier to express allegiance to a person than to a set of abstract rules. There is rather a recognition of the modern role of the Crown, and critics' references to 'feudalism' are wholly mischievous. The monarch is no longer the ruler, but has become the repository and trustee of the power of the modern State. Nor is there any conflict with democracy. Indeed, it is characteristic of the advance of democracy in that British polity, of which we are developers as well as inheritors, that the new order constructively adopted the forms and so many of the assumptions of monarchy.

Practice over the last couple of hundred years has determined that the sovereign inevitably delegates power to "those in authority under her." To swear or affirm allegiance is thus entirely fitting — probably essential — for one who is to serve the Crown (i.e. the State) including military officers, public servants of various kinds, and judges. It is right also that a Member of Parliament should be seen to be attached to the Crown's authority, despite any partisan political duty or inclination to oppose or criticize the Queen's ministers: the oath requiring this is indeed secured by the Constitution. A fortiori, ministers, those subjects of the Crown into whose hands its authority is almost wholly delivered, ought obviously to swear an oath (or affirmation) of allegiance. This is no empty ritual, but a device which, properly understood, compels them to recognize the temporary nature of their authority, and their commitment to observe both law and convention in exercising their powers. It also binds them to take on the obligations owed by the sovereign to her subjects, as well as enabling them to command obedience — in short, to govern. Of course, politicians (and others) are adept at evading their obligations, however solemn. But there can be no doubt of the comprehensive principle and ideal encompassed by their oaths.

How an invented presidential system would be enabled to accomplish anything like the same is a question yet to be answered, if indeed it can be. Meanwhile, it is unedifying to see governmental actions which deliberately assume by anticipation the establishment of a republic, despite the uncertainty of success in the constitutional process required for such a thing. Governments so acting must be presumed to hold in contempt the constitutional system to which they owe their legal existence. A further presumption must be that they will observe the requirements of that constitution only when it suits them. We have here a hint, and more than a hint, of usurpation.

The question naturally follows as to whether a minister, official, judge, or military officer, who declines, or is prevented from taking, an oath of allegiance, can properly be said to be in possession of his functions and, thus, entitled to command (in respective and appropriate circumstances) the obedience of the Queen's subjects. It would at least seem open to anyone to attempt to challenge the validity of any executive order...
issued under the alleged authority of, for instance, the present Commonwealth Attorney-General. In terms of the moral stature of constitutional theory, practice and assumptions, that authority seems to me to be decidedly incomplete. Here, again, is the hint of usurpation. Certainly it is not 'responsible government'. On this ground as much as any, it might well seem proper that the Governor-General or Governor, representing the Queen, should decline to administer an oath which was admittedly designed to attack, or even deny, the Queen's place in the Constitution. In the strictest possible sense, the dignity and honour of the Crown is involved to protect which is, one would think, a prime function of the Queen's representative. It would be a matter in which he or she can hardly be held bound to take the advice of the minister. Evidently, however, neither the Governor of Queensland nor the Governor-General have seen fit so to act.

Oath of Citizenship

The Commonwealth Government intends also to alter the Citizenship Act so that new citizens are no longer required to swear allegiance to the Queen. The Government will abolish the present oath and substitute one which, in some fashion, seems (as though the present one doesn't) to commit the taker to loyalty to 'Australia'. By proposing this, and by couching the reasons in the language of republicanism and Anglophobia, the Keatingites have forestalled what might have been a proper reform. An Oath of Allegiance on the part of new citizens is, arguably, not only unnecessary but, perhaps, inappropriate. With citizenship, an immigrant becomes a subject of the Crown, whether or not an oath of allegiance is taken: there is no difference in this respect between such a person and a natural born subject. What is probably required is some sort of express recognition of allegiance, implying an unchallengeably comprehensive commitment to a political culture of great complexity. To omit it altogether is to encourage ignorance of the constitutional origins and characteristics of Australia and of perhaps (as I suggest above) one of the most practical aspects of citizenship. Worse, the proposed new 'oath', though purporting to pledge the taker to respect and obey the laws of Australia, effectively displays disrespect or contempt for — if not positive rejection of — perhaps the country's most important single statute, viz., the Constitution. That law takes for granted that Australian citizens are subjects of their sovereign. It seems to me a serious question — certainly of principle, perhaps of law — whether citizenship can be said to be fully achieved by other than a natural born subject, without explicit recognition of that fact. But an 'oath' hardly seems necessary for the purpose.

1. The sovereign's obligations involved in this relationship are harder to describe and I shall avoid the attempt here. It has become commonplace to speak more and more extravagently in terms of 'rights'. That is an extension or derivative — though it comes often perilously close to a distortion — of the idea of the sovereign's obligations to his or her subjects; but we can more safely and more reasonably assume that chief among those obligations are just and equitable government, including administration of justice, and protection of life and property from enemies external and domestic.
The Liberal Conservative Alliance in Australia

Liberalism and conservatism have evolved along complementary paths in Australia, linked by an opposition to the growth of governmental power. Now, the alliance is experiencing strains and whether it survives will depend on how firm are its foundations.

GREGORY MELLEUISH

Liberalism and conservatism have been allied for a long time in Australia. That alliance was one of those certainties of Australian life which, following Paul Kelly, can be said to have been shaken seriously by the developments of the last decade. With the collapse of the communist dream they have lost their common foe; the time is ripe for disagreements and perhaps even a parting of the ways.

An era of uncertainty, such as we now seem to be experiencing, is a cue for re-evaluating those things which we have up to now taken for granted. The relationship between conservatism and liberalism is one of those things. It is no longer sufficient to assume that they share an affinity. Rather, that affinity must be analyzed, it must be argued for.

There are two ways of conducting such an exercise. The first is to examine historically the relationship which has existed between liberalism and conservatism in Australia. In this way it is possible to understand why they have sought each other's company and the extent to which their alliance has been founded on something solid and substantial. The second is more abstract in nature; it seeks to establish, at the level of theory, the relationship between the two.

My task is to say something about the bodies of ideas which liberalism and conservatism have developed in Australia. As with any set of political ideas, both liberalism and conservatism have taken on a particular shape in Australia in response to the circumstances of Australian life.

Australia in the 19th century was not Britain, but it was a transplanted British society seeking to create a social and political order which preserved the freedom and liberty of the homeland. Moreover, it was a British society in which the state was much more powerful than in England, and those associations and social institutions which comprise civil society were decidedly weaker. All of these factors affected the shape which political ideas in Australia assumed.

Reconciling Liberty with Order

The first consequence of these circumstances was that Australian liberalism remained inherently conservative. Australian liberal thinkers did not feel the need to postulate grand theoretical schemes in opposition to an entrenched established order. Rather, they sought to establish an order in a strange and unaccustomed land in which they could feel at home. They wanted British liberty and their rights as British subjects. They wanted a guarantee of security as the foundation for a free society, a society which reconciled order with freedom.

This attainment of liberty was not viewed as an abstract exercise in political theory but as a concrete, practical problem. Australian liberals have traditionally been suspicious of 'mere theory', preferring instead that sort of knowledge which is real and particular in nature; knowledge which would yield up a good practical working system. It is no surprise that the work of the French liberal Alexis de Tocqueville can be seen as an influence on Australian liberalism from the mid-19th century onwards.

De Tocqueville's liberalism was firmly rooted in a realist sociology. In particular de Tocqueville's depiction of American democracy as a working social and political system had a profound impact on a society pondering which of the two great Anglo-Saxon political orders it should emulate.

The first great colonial liberal thinker, John West, was very much in the Tocquevillian mould. Historian of Tasmania, leader of the anti-transportation movement, and editor of The Sydney Morning Herald, West's editorials for that newspaper were often mini-essays in political philosophy. West believed in the ideal of humanity and considered that the spread of civilization was helping to bring into being a world order embodying that ideal. He was a defender, in the name of humanity, of the rights of the Australian Aborigines and of the

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Chinese against the prejudices and barbarity of his small-minded fellow colonists.

West’s liberal zeal was tempered by an appreciation of human frailty and of the limits which the real world placed on political ideals. Liberal principles had to work in practice. In place of the heady mixture of zeal and abstract principles exhibited by the liberals of the French Revolution, West pleaded the cause of practical or applied reason. The object of society was indeed to provide for individual liberty — “that which secures to every man the right to enjoy what is his own” — but that right was not exercised in a vacuum. Liberalism could take two forms in Australia: it could be “mixed up with everything vulgar, mean, and anarchical” or it could be “associated with a dignified courtesy, self-restraint, love of order, and respect for personal liberty.”

The key was to create a social order which reconciled liberty and authority — or liberalism and conservatism. West criticized John Stuart Mill’s *On Liberty* because he believed that Mill had been unjustly harsh on the role of custom in society. Boundless liberty threatened to dissolve the organic whole of society into “congeries of particles.” True liberty could only be obtained when men willingly submitted to wise laws, and a balance established between individual self-expression and social convention.

### The Role of the State

West’s desire to balance liberty with social cohesion derived from a fear that English social institutions had only imperfectly been reproduced in the colonies. Like many of his contemporaries he believed that social dissolution was a greater threat in Australia than the establishment of some sort of despotism.

That outlook was to change amongst liberals by the turn of the century. The key to that change was a factor which West had considered hardly at all — the role of the state. In his major work, *National Life and Character: A Forecast*, Victorian liberal and former Minister for Public Instruction, Charles Pearson, analyzed the consequences of the alliance between liberalism and the state in Victoria. This work echoed many of de Tocqueville’s central themes as it chronicled the triumph of the state over those associations which constitute civil society.

On one matter Pearson was clear: the pursuit of liberal principles had necessarily led to the growth of state power and the rise of what he termed “state socialism.” In order to attain justice liberals had been forced to use the state. As a result, ordinary people enjoyed a much increased level of material well-being.

But this material comfort had been bought at a price. The rise of the state had been matched by a decline of the family, of local self-government and of the churches. Individualism was also being stifled and opportunities for originality daily becoming less. In return for his modicum of comfort the ‘citizen’ of this order created by liberalism-cum-state socialism was expected to be obedient and conformist. Pearson was describing what would subsequently be termed the “servile state.”

He was also posing the principal problem for 20th-century liberals in Australia: what was the proper role of the state? On the one hand many of them recognized the capacity of the state to act as an agent of reform, creating those conditions under which individuals could realize their potential. On the other hand, they emphasized the need for an active and vigorous civil society so that genuine progress could occur.

Most liberal thinkers developed an ambiguous attitude towards the state. In 1914 prospective politician and social philosopher, Frederic Eggleston, had uncritically praised the state as a moral agent able to encourage individuals to work towards social reform. By the early 1930s, however, in his study of state socialism in Victoria, Eggleston was criticizing the state as an obstacle to the development of individual responsibility and advocating a move back towards *laissez-faire*.

Other liberal theorists, such as academics Francis Anderson and R.F. Irvine, recognized that it was in society that creative change and innovation took place; the role of the state was to follow in the wake of these changes and to adjust the law accordingly. Only one major Australian thinker developed a radical critique of the state: Elton Mayo. Mayo argued that the interference of the state in such areas as industrial arbitration had done positive harm by perpetuating social and political divisions. He believed that the state was, by definition, incapable of solving social problems. The state imposed an illusory unity on its citizens; genuine social co-operation could only be achieved when individuals freely worked together as members of social institutions and associations. The great temptation of those years, when Australia was considered the “social laboratory of the world,” was to use the state as a means of creating social unity.
free social associations. One could not survive without the other.

The most devastating critique of the failure of state power to achieve its goals in Australia came from the historian W.K. Hancock in his classic study Australia. Again, we have a liberal analyst who owed an intellectual debt to Alexis de Tocqueville and to a liberalism firmly based on a realist sociology.

In Australia Hancock chronicled the failure of the Australian people to provide a satisfactory form for their ideas of justice. He described the Australian people as both idealistic and immature. When faced with harsh realities they proved incapable of reconciling their ideals with those realities, preferring instead to use the state to evade any unwelcome consequences of their actions. They were fundamentally immature and their reliance on the state to evade any unwelcome consequences of their actions. They were fundamentally immature and their reliance on the state perpetuated that immaturity.

Hancock believed that maturity in an individual depended on two qualities. The first was a sense of belonging to a particular place. The second was a capacity to encounter the vicissitudes of the world while keeping one's values intact without descending into cynicism.

The weakness of individualism and social associations lay at the core of Australian immaturity. By placing their faith in the ability of the state to turn their ideas into reality, Australians failed to recognize that mature political judgment was of much greater consequence than abstract theories and pious hopes. The solution to the problem was not greater state involvement, but an encouragement of those qualities which would lead to mature judgment.

Avoidance of Abstract Ideals

Much of this analysis remains true today. This short survey of Australian political ideas has attempted to demonstrate that liberalism in this country has not reflected a vague set of abstract principles but has nearly always been grounded in the realities of Australian life. In other words, it has always recognized that true liberty requires a well maintained set of social institutions and associations. It is when those associations are absent or weak that state power steps in to fill the vacuum; and state power invariably expands at the cost of individual autonomy.

What has united liberalism and conservatism in Australia has been their opposition to the growth of state power. Liberals have placed a greater emphasis on individual autonomy and liberty while conservatives have been more concerned with the maintenance of the associations of civil society. But the crucial point is that the two are complementary; to be a good liberal one should also be a conservative.

What, then, are the implications of this brief historical investigation for Australian liberalism and conservatism in the 1990s? The insights of a liberalism descended from West, Pearson and Hancock continue to be pertinent. A liberalism which emphasizes an abstract individualism and ignores the need of individuals to be rooted in the associations of society will not produce genuine liberty. Rather, it will produce licence masquerading as liberty which, in turn, will stimulate the activity of the state to regulate it and curb its excesses. Cut loose from conservatism, liberalism takes on a distinctive Utopian hue as it falls prey to grand visions of an ideal liberal order. And, as recent events have demonstrated, its fate is then to fall victim to its own hubris.

Even if the Age of Certainty has come to an end a number of political principles remain as valid as they ever were. One of these is the affinity between conservatism and liberalism, based on the recognition that a vigorous civil society is the most secure foundation for the responsible exercise of liberty by autonomous mature individuals. This vision of liberalisms builds on a mode of political understanding well established in Australia, one which seeks to establish the concrete circumstances under which liberty flourishes, rather than placing its faith in abstract, untested ideals.

3. The Sydney Morning Herald, 6 January 1857.
4. The Sydney Morning Herald, 29 April 1857.
5. The Sydney Morning Herald, 31 May 1859.
Few people would try to argue that American society has ever been perfect; fewer still it is now. But this book is interested in examining that group who believes that American society is irredeemably evil: intolerant, racist, stupid, and corrupt — with no balancing virtues whatsoever.

For Hollander, a Professor of Sociology at the University of Massachusetts, tracking anti-Americanism is a life passion. An earlier book, *Political Pilgrims*, looked at the way in which the intellectual class has applauded a variety of Marxist societies. *Anti-Americanism* explores this theme further from a post-Cold War perspective as well as broadening the discussion to embrace the political correctness movement of the 1990s.

Hollander makes it clear that his intention is not to say that US society has no flaws. He believes that the US has virtues as well as vices. For committed anti-Americans, on the other hand, the absolute evil of the system is utterly self-evident and undeniable. Contrary evidence is simply dismissed as proof of the depth to which the conspiratorial nature of 'the system' runs.

Even while describing its roots, Hollander does not or cannot explain why anti-American beliefs are held with such intensity. But he hints that ultimately it is not rational: like a religion, it is an article of faith rather than a balanced analysis. Indeed, for many it seems to have taken over the role that traditional religion once played. Having torn down the value system which sustained previous generations, they needed to find (or invent) something else to believe in.

As an organized movement, anti-Americanism began in the turbulent 1960s. Vietnam, the assassinations, and the rise of the civil rights movements highlighted many of America's problems. Nixon and Watergate made the process of government itself suspect.

“ AIDS is our Holocaust,” writes a gay activist.
“Reagan is our Hitler and New York is our Auchswitz.”

Hollander is quick to point out that in the 1960s, the quest for rights had a moral validity. The strategic use of the law, through civil actions and Supreme Court decisions, played a crucial role in ending racial segregation and other gross inequalities. But before long the process assumed the momentum of a runaway train.

Hollander believes that only a small number of Americans despise their own country; but they were (and are) strategically placed — in the media, the churches, the education system and the legal profession. Once the notions that everyone had a right to everything and the law was the means to get it were planted, they spread like weeds. The instance of prison inmates suing the government because their scrambled eggs were too hard would be merely amusing if it did not so effectively delegitimize those cases where the issue is truly important and the cause just. The avalanche of law suits in the 1980s and 1990s — what Hollander calls “the collapse of common sense” — might be thought of as a second-generation consequence of the anti-American ideology, rather than something driven directly by anti-American individuals themselves.

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quash other opinions and even twist language to the views of the true believers. Even calling coffee without milk ‘black’ can be deemed a racist slur (it has to be called ‘dark’).

Anti-Americanism starts from the assumption that competitiveness, differences of ability, and the desire to better oneself are purely the result of socialization. To prove its point, the ultra-liberal city council of Berkeley set up a separate park for dogs, on the premise that, freed from their owners’ influence, the dogs would form an egalitarian canine community. The plan failed, of course: the dogs formed a strongly hierarchical pack. But the Berkeley Council continued undeterred.

In fact, reality has a way of bursting in on the anti-Americans. Nicaragua under the Sandinistas was portrayed as a haven of popular democracy and workers’ prosperity (just as Cuba and North Vietnam had been portrayed in earlier years). But then the Sandinistas were turfed out in elections: it seems that the Nicaraguans did not share the views espoused in university halls. The anti-Americans responded that the election was a set-up, with the conservative victors manipulating the electorate with advertising and bribes.

This sort of hypocrisy is a hallmark of anti-Americanism. Democracy is only accepted when it gives the results that the anti-Americans want. Tied to this is another prevalent view: that elections do not really matter, as real power lies elsewhere. Its location is never precisely defined, but many of the intellectual class seem to believe in a behind-the-scenes cabal of industrialists and generals.

The collapse of communism, the antithesis of much of what America has traditionally stood for, might have been expected to give the anti-Americans pause for thought. Not so: if anything, it led them to call for a revolution at home as well — usually in relation to their particular obsessions. One found “an obvious connection between the prodemocracy demonstrations in East Germany and demonstrations in the US for reproductive rights.” Another linked the demise of communism with the need “to begin the process of striking homophobia and heterosexual bias from our education system.”

Anti-Americanism Outside America

Hollander also dissects anti-Americanism in Europe, Canada and Mexico. Intellectuals in these countries spend a great deal of time trying to explain why their less-informed countrymen consistently enjoy American movies, McDonald’s and Disneyland; and, even more, will emigrate to the US if given the chance. It is here that the concept of ‘false consciousness’ plays its most crucial role, and here that the elitism of the intellectual class is most obvious. Only we can see America for what it truly is, say the over-educated to each other. Everyone else is being manipulated and tricked.

But Hollander believes that outside the US, anti-Americanism is largely confined to academic circles, and has failed to find the place in mainstream society that it has established in the US. He does not, unfortunately, extend his study of anti-Americanism to Australia, but one might say that it remains a limited passion in this country. The Australian branch of the breed has enough to talk about — the military alliance, multinationals — but to date the bulk of our society has shown little interest in adopting the ideological package, although individual issues (mainly connected with trade) occasionally hit the headlines.

Zero-Sum Game

On its home ground, however, anti-Americanism has become an orthodoxy, with devastating consequences. This, in the end, is Hollander’s point: anti-Americanism has undercut any feeling of community by drawing a picture of society as a zero-sum game: one person is poor and deprived because another is rich and privileged: us against them.

At the same time, it has removed any sense of individual responsibility. For instance, the violence of a black criminal is explained away as really the result of, and a response to, an endemically racist society. The discussion of morality has been replaced by an obsession with socialization — except in the case of middle-class white males, who are seen as entirely responsible for their actions and attitudes, especially if they vote Republican.

Can American society recover from the assault from within? Hollander is not optimistic. He takes the view that if the anti-Americans were going to be persuaded by reality, it would have happened by now. So the future is grim: anti-Americanism will continue until it causes the society that bred it to collapse.■
FIELD TRIALS of cotton that is genetically engineered to resist attack by cotton bollworms are in progress in Australia, with encouraging results. Other Australian crops such as lupin, tomato, potato, eucalyptus, pine, fruit trees and ornamental flowers are all likely to be affected by gene technology in the foreseeable future. Already in China there are extensive field trials of new disease-resistant crops, and in the United States genetically manipulated Flavr Savr tomatoes are about to reach the supermarkets.

These events are the start of an ongoing wave of technological change that started as fundamental genetics research. The history of this technology can be traced back to the 1970s when innovative new research methods precipitated a major restructuring of experimental strategies that still continues to affect almost all basic biological research. By the late 1980s this biotechnology revolution had moved from the pure research laboratories to practical medical diagnosis and therapy. As the direct result of this surge in genetic innovation, hundreds of new diagnostic tools, new vaccines and new disease treatments are now coming through the long regulatory review process.

I have been searching for books that I can recommend to non-specialist readers needing to find out how gene technology may affect farming and food production. The difficulty in this task lies less in the complexities of the science than in the vastly differing viewpoints and motivations of those who write on the topic.

When they write stories journalists search for a special angle, essentially a deliberate distortion. When the new biotechnology is reported in the press it is almost always in terms of a purported breakthrough or a disaster. Activist groups are similarly dependent on controversy and drama for their existence, and several are vocal in their criticism of gene technology. Unfortunately, they tend to create mountains out of mole-hills, by relying on inaccurate information or an inadequate understanding of biology. Scientists have a different problem: their professional reputations rest on their ability to separate objective evidence from speculative opinion. It is no surprise, then, that they habitually defer judgment on issues that hinge on subjective opinion — such as conjecture about second-order future consequences of new technology. The result is a debilitating public silence on controversial matters when forthright and informed commentary is sorely needed.

The three recent books I have selected offer a way through this situation for the questioning student, the puzzled public servant or the concerned countryman. All draw on the services of scholarly contributors, although none of the trio is overly technical. Controversial social and public policy implications, generally left out of the discussion in science texts, are provided in a context of reasoned discussion, and in places they provide a lively and witty debate.

Dr David E. Tribe is Co-ordinator of Biotechnology in the Department of Microbiology at the University of Melbourne.
presents the most thought-provoking debate. Of all its chapters (which include offerings by ecologists, a US Food and Drug Administration biotechnology regulator, a lawyer and several specialist scientists) the best two, as far as I am concerned, are the one by Aaron Wildavsky and another by Harvey Brooks and Rollin Johnson of Harvard University’s Kennedy School of Government.

What is Natural?

Wildavsky’s ideas on the different ways nature is viewed — ‘cornucopian’, ‘fragile’, ‘perverse’ or ‘tolerant’ — provide an entertaining clue to the passionate differences of opinion the genetic engineering debate often elicits. Wildavsky argues that the whole debate between proponents of “full speed ahead” with biotechnology and those who wish to delay it can be explained as a dispute over the definition of two terms, natural and unnatural. “When adherents of a particular way of life convince others that it is the only natural way, so that its perceptions of how the world works become the way the world actually is, then they have won.” If this is so, then wider knowledge of how the transfer of genes between completely unrelated species has often occurred in nature, and of how the natural antics of “jumping genes” imitate the events of laboratory-based genetic engineering may well dispel some of the current unease with which laboratory genetics is regarded.

Beyond Mendel’s Garden, as the title implies, concentrates on describing how new genetic methods are being used to improve crops. The book is extremely useful for providing an understandable introduction to worldwide trends in this technology. It provides more detailed background on actual agricultural research than The Genetic Revolution and gives special attention to discussing socio-economic issues relating to Third World development. While it concisely analyzes issues such as patenting of living organisms, the sophisticated public policy philosophy provided in Davis’s book is missing.

For even more detailed surveys of both technology and socio-economic issues, the OECD reports on biotechnology are extremely useful reference volumes, providing an up-to-date bridge to the specialized technical literature. Biotechnology, Agriculture and Food is a very recent volume in this series, specifically directed at the interested lay public and at policy-makers. Among the issues addressed is the concern that biotechnology may have disruptive effects on Third World economies, due to the invention in First World countries of novel methods for production of commodities, such as pyrethrin. This may promote local substitution for traditionally imported source materials.

The OECD report analyzes in depth the global strategies of leading ‘agrofood’ firms (Chapter V) and the economic impact of agricultural biotechnology (Chapter VIII). It concludes that the alleged adverse effects on the Third World have been over-dramatized. Positive effects, for example the probable direct benefit to Malaysia of novel palm oil technology, need to be taken into account.

These books convey the impressive range of effort going into securing our food and fibre supply for the next century, and an analysis of the problems that may be generated. Although they do not provide immediate help for those seeking specific information on the eventual effects on the Australian rural scene, they provide an accurate global perspective that is necessary for evaluation of local implications over the coming decades.

A final summing up of public policy issues relating to genetic engineering is given by Brooks and Johnson in Bernard Davis’s book. They make constructive suggestions as to how debate on the topic can move forward. We should, they suggest, separate concrete decisions from philosophical views of the world and technology, and try to focus on the former. Specific decisions can thus be made to fit specific circumstances. This seems pretty obvious really: if we wait for a general consensus on philosophy and politics, the delays before transgenic crops reach the farm gate will be interminable.
OBITUARY

Charles Denton Kemp CBE
1911-1993

On 23 June C.D. “Ref” Kemp, founding Director of the IPA, died in his sleep at his home in Hawthorn. He was 82.

Ref Kemp was regarded by those who knew him as a man of unusual breadth of understanding, great integrity and humility. He was active in public affairs throughout his adult life and, as John Hyde wrote in The Australian, his contribution to post-War Australian liberal-conservative thought was immense. “His influence upon the society enjoyed by Australians from 1950 until 1970 was both material and beneficial.”

C.D. Kemp was an economist who believed, in his own words, that “in dealing with practical economic problems one had to look at them not only from a narrowly economic standpoint but also from their political, social and human aspects.” He was fond of quoting the great economist Friedrich Hayek, “an economist who is only an economist is not a good economist.”

Ref Kemp directed the IPA for three decades until his retirement in 1975, during which time he wrote the great part of its published material. At the funeral service at Scots Church in Melbourne, David Kemp said of his father, in part:

“Over those years [1943-1975] in simple and direct prose, he analyzed Australia’s social and economic predicament and recommended solutions to the problems of unemployment, inflation, debt and living standards. At a time when most of the country’s economists were enamoured of central planning of one degree or another, virtually alone Ref held up the torch for a free, democratic and responsible economy based on an ethical private enterprise. History proved him right. He wrote the document which provided the basis for the Liberal Party’s platform in the post-war years and he continued to write lucidly and forcefully about national issues until his death.

“An independent scholar, James Walter, credits the IPA with giving ‘shape to a political culture that was to dominate post-war life,’ and with providing the arguments which Robert Menzies carried into the public arena. For his work at the IPA Ref was awarded the CBE.

“Ref was a tremendously thoughtful man, in every sense of the word. He was kind and considerate to others, and thought deeply and constantly about life and the world. He supplemented his experience of the world with broad reading and he would note down those words he read which summed up for him his own attitude and philosophy to life.

“For him the most important thing was to achieve wisdom. Finding wisdom meant avoiding ideology or dogmatism and relying on common sense and humility, born of the recognition that there are mysteries in life which will never be solved or comprehended. He loved Lord Casey’s comment that ‘common sense is most uncommon,’ and he often quoted the sentence from Henry Adams with which John Buchan closed Ref’s favourite book, Memory Hold the Door: ‘After all, man knows mighty little and may some day learn enough of his own ignorance to fall down and pray.’

While he was proud of what he believed he had learnt in life, he accepted and delighted in the fact that there were still many mysteries he would never fathom.

“Rod, Rosemary and I were the beneficiaries of Ref’s belief that the family was at the centre of a worthwhile life. When Rod and I were bringing together some of Dad’s papers last weekend we found a handwritten note in which he said: ‘Nothing in anyone’s life can equal membership of a happy family — a family whose members love one another, are loyal to one another, and are there not merely when their presence is essential, but on all occasions where it is possible.’ He wrote down approvingly elsewhere Arnold Toynbee’s comment that ‘To bring up one’s children is perhaps the most important single one of a human being’s jobs in life.’”

All of us at the IPA extend our sympathy to Rod, David, Rosemary and their families.

The contribution of C.D. Kemp will be covered more fully in the next issue of IPA Review which celebrates the Institute’s 50th anniversary. It is a matter of great sadness to us all that Ref Kemp will not be here to share in that celebration of the organisation which bears his stamp.
Charles Goode Steps Down

THE Chairman of the IPA since 1984, Charles Goode (above), retired on 30 June from the chairmanship and from membership of the IPA's Board. In his place has been elected George Littlewood, Vice President of External Affairs at CRA Limited. Eda Ritchie, a former State President of the Liberal Party, is the new Deputy Chairman, and Peter Barnett, CEO for Pasminco, has been elected Treasurer.

Board members spoke highly of Charles Goode's achievement, adopting the following resolution which was moved by George Littlewood:

"The Board of the IPA records its deep appreciation of Charles Goode's leadership, in his nine years as Chairman of the Institute. In that period, and under his stewardship, the Institute achieved financial security and its work expanded beyond economics into the areas of education, State affairs, the environment, and defence and foreign affairs. These accomplishments were made possible by Charles Goode's willingness to stand behind the staff and work of the Institute and his personal commitment to its purpose. His contribution has been outstanding."

These sentiments are shared by IPA staff.

A dinner, attended by Board and staff members, to mark Charles Goode's retirement was held in Melbourne on 16 July. At it Mr Goode was presented with the 13-volume *Australian Dictionary of Biography.*

Kennett Bestows Kerr Foundation Prize

VICTORIA'S PREMIER was among the approximately 60 people who attended a function by the Peter Kerr Foundation on 4 May. This event, which occurred at the IPA's Melbourne offices, marked the presentation of the first Peter Kerr Scholarship.

Peter Kerr, Director of the IPA during the first half of 1990, died suddenly in July of that year. The scholarship's winner was Emma Belbin (of Monash University Gippsland Campus), whom it will aid in undertaking postgraduate studies in psychology. Mr Kennett presented Miss Belbin with the award.

The Foundation is aiming to raise $50,000. Donations (which are tax-deductible) can be made to The Trustees, Peter Kerr Foundation, School of Humanities and Social Sciences, Monash University Gippsland Campus, Churchill, Vic, 3842.

Officer’s Grim Vic Inc. Diagnosis

"Victoria is the only State, other than Tasmania, which has had to borrow to meet day-to-day operating expenses.” Thus Bob Officer, economics professor at Victoria's Graduate School of Management, who also served on the Victorian Commission of Audit. In a speech at the IPA's Melbourne offices on 20 May, Professor Officer said that Victoria's financial position had incurred liabilities adding up to $69.8 billion in 1991-92: that is, around $47,000 for each of Victoria's households.

To prevent this recurring, the State's public sector needs a dramatic overhaul according to three main principles: a needs-based community service funding policy; a separation of government's purchasing power from its providing power; and the fostering of competition between potential supplier organizations.
Two Views on Australia's Problems

Since May the IPA Essington Lewis Speakers' Group has heard the views of two well-known Australians on problems currently facing the nation.

In May Lindsay Fox, Chairman of Linfox Transport, addressed an audience of over 50 people at Shell Australia. He spoke about his education, the importance of the family, and Australia's economic predicament. He recalled his Headmaster's view (at Melbourne Boys' High) that the worm in the Australian character was tolerance of mediocrity (she'll be right). Mr. Fox had seen this attitude reflected in slack practices in the work-force and in Australia's economic decline.

On 28 June the Speakers' Group was addressed by Senator Bronwyn Bishop, at the offices of the pollster Gary Morgan who, by coincidence, that day had released an opinion poll listing Senator Bishop as the preferred Liberal Party leader among Australians.

Senator Bishop identified four major problems facing Australia:

Scientist Warns of Anti-Development Laws

Recent Governments have gone a long way in endorsing anti-development policies on the environment, according to Dr. Brian O'Brien, speaking at the first of a new IPA seminar series, Dialogue. John Stone gave a short response to the paper.

Before becoming Managing Director of his own Perth environmental consultancy, Dr. O'Brien was Chairman of Western Australia's Environmental Protection Authority.

IPA recently published his study, Nationalizing the Australian Environment: the Agreements of '92. This booklet shows where the environmental agreements of last year are flawed, what their consequences are, and how they may be corrected. It is available from the IPA for $19.00.

Transforming the East

In several ways, the political and economic transformation of Eastern Europe has been exceptional: it has been largely peaceful (the ethnic violence is a separate matter); it has involved both the economy and the political system; and political freedom has proceeded economic liberalization, rather than vice versa.

This is the view of Professor Leszek Balcerowicz (pictured above) who spoke at a seminar jointly sponsored by IPA and the Australian Institute of Polish Affairs, in late April. About 170 people were present.

Leszek Balcerowicz served as Deputy Prime Minister and Minister of Finance in Poland's first two non-Communist governments (1989-92).

Eastern Europe's most successful economic reforms are taking place in Poland, Hungary and the Czech Republic. The difficulties, he said, must never be underestimated.

In 1990 there was a strong mood of national crisis to ensure widespread public acceptance of the discomfort that radical economic change caused. After about two years the population's willingness to endure hardship for the sake of national reconstruction attenuates.

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RECENT IPA BACKGROUNDERS

Quality of Child Care, Accreditation and Family Welfare
by Geoff Hogbin, November 1992
The Commonwealth Government's forthcoming long day care accreditation system has major defects. Few of the proposed criteria for accreditation are either objective or enforceable. The proposed system cannot guarantee quality and may be conducive to corruption; it provides no effective safeguards against child abuse or the spread of infectious diseases.

Commonwealth Government Expenditure: The Need to Cut It and How
by Des Moore, May 1993
Since 1989-90 Commonwealth Government spending has increased substantially, and a large budget deficit is the result. Des Moore explains how the deficit must be wound back. He details cuts to Commonwealth spending totalling almost $9 billion over the next two years, plus $9 billion in additional asset sales over the next three years.

The Carnegie Challenge: Restructuring the Energy Supply Industry of Western Australia by Frank Harman, June 1993
This Backgrounder reviews the Carnegie Report, The Energy Challenge for the 21st Century, and confirms that only a thorough-going process of reform will eliminate the institutional obstacles to an efficient energy supply system in WA. At the same time it warns that there are substantial obstacles to reform.

Environmental Backgrounders

Chemophobia and the Molecular Level
by Sev Sternhell, September 1992
A short corrective for those who, through either simple or wilful ignorance, fear 'chemicals' and/or the chemical industry. The paper examines the consequences of chemical knowledge at both the fundamental and applied levels.

The Green Lobby's Strategy and Tactics: a Tasmanian Case Study
by Guy Barnett, October 1992
Guy Barnett examines some of the most politically divisive and emotional environmental disputes in Australian history: the Franklin Dam dispute, the Wesley Vale pulp mill debate and the 'Son of Wesley Vale' are case studies from which important lessons can be learned.

Oil in Troubled Waters: Facts and Fallacies about Marine Petroleum Exploration and Development by Peter Purcell, July 1993
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