enterprise (ˈentəprərˌiz) n. 1. a project or undertaking, esp. one that requires boldness of effort. 2. participation in such projects; boldness and energy. 4. a company or firm.
8 Too Hard to Cut?: The economics of cutting government spending are compelling, but the politics are daunting ... Derek Parker

12 Uncertain Harvest: Establishing a register of tree plantations will not provide growers with security ... Ian Mott

22 Losing Their Faculties: Inept offerings from our universities ... Paul Ross

28 The New Central Europe: A new line divides Europe ... Patrick Morgan

32 Between Individual and State: Liberals and conservatives cannot afford to ignore any longer the yearning for community ... Vern Hughes

40 Democracy and Multiculturalism: Talk of tribal separatism in Australia is unduly alarmist ... Brian Trainor

48 The Inevitable Republic?: Abolishing the monarchy would require a radically new constitution ... Christopher Carr

51 Whose Business is it?: The Prices Surveillance Authority assumes that banks don't understand their own cost structures ... Terry Black and Amelia Pape

53 Crime without Punishment: The film Death and the Maiden casts light on the problem of retribution ... Lucy Sullivan

Columns

2 Letters

5 From the Editor: Why so many of our best-known voluntary associations are losing members.

7 Indicators: Japanese investment in Australia has shifted from property to food.

15 Moore Economics: Mr Keating could still win the next election, but he needs a new direction.

18 Press Index: The highs and the lows of reporting the economy.

26 Strange Times: The Media, Entertainment and Arts Alliance puts its flat foot down.

Reviews:

57 The Revolt of the Elites, reviewed by M.A. Casey

58 Living with Dragons, reviewed by Claude Rakisits

60 Fatherless Families, reviewed by Bill Muehlenberg

62 Mining, Metallurgy and the Meaning of Life, reviewed by Ronald Conway

63 IPA News: Mike Nahan is appointed IPA's new Executive Director.
Letters...

School Culture

KEVIN Donnelly (IPA Review, 48/1), in his response to the Karpin Report, claims that, "since the late 1960s, the culture of education, especially in schools, has been antithetical to business and private enterprise." If he is right, and I have no reason to doubt that he is, the reason surely is that the culture of schools is shaped by the centralist state system to which they belong. How can teachers be expected to understand or sympathize with private enterprise when they work in institutions controlled by government? How can they be expected (in the words of the Karpin Report) to expose students "to the value of enterprising and entrepreneurial behaviour" when they themselves are cogs in the vast machine of the state? One need only compare the dominant educational philosophy in state schools with that in the independent system. In the latter, the values that Donnelly likes are far more likely to be found.

It follows that the way to get the culture in state schools to change is to change the structures of control. Give schools their freedom, allow them to be entrepreneurial, let them compete, and their personnel will start to think like entrepreneurs. Schools will then be less inclined to serve and glorify government and more inclined to respond positively and creatively to the wishes of parents and employers, their market.

Michael Pitt, Newcastle, NSW

Mediocre Mediation

DH. von Bibra (IPA Review, Vol. 48/1) has obviously encountered greater satisfaction from the mediation system of dispute resolution than the writer and his wife, who were ordered to mediation to settle a building dispute.

The greatest drawback to the system is that you are allocated a mediator from a panel of people listed for such duties. No doubt some are competent and good at their job but not all. In our case we were sent to mediation twice in the same dispute, once before a retired builder and once before a retired barrister. We reached a settlement by accepting a much lower sum than we had expected. The mediators made no attempt to suggest a fair and reasonable settlement figure, nor did either of them read the expensive building experts' reports which we provided. Apart from our personal statements they considered no information rendered by ourselves. Neither mediator contributed anything meaningful during the hearings.

Both hearings followed very loose lines, to the extent that the legal representative appearing for one of the parties was allowed to dominate the proceedings for three hours virtually without interruption from the mediator!

Weighing up the cost to ourselves of preparation and legal advice, including barrister's opinion, there did not appear to be much advantage practically or financially in going to mediation — but then real justice never comes cheaply does it?

James Essex, Tamborine Mountain, Qld

Survey Dispute

WHAT a pity IPA Review did not contact the Australian Bureau of Statistics (ABS) before publishing the article by John Coochey entitled 'Domestic Violence Survey Provokes Row' (IPA Review, Vol. 48/1). Some of the many factual errors about the Women's Safety Survey might then have been corrected and some of the alarmist claims dispelled. Perhaps a 'good story' also would have been ruined!

It is disappointing that an article appearing in a journal in July 1995 does not reflect, nor acknowledge, information contained in a letter I wrote to the Canberra Times on 11 April 1995 (yes, April 1995) rebutting similar claims made earlier by Mr Coochey. Nor did it contain other information about the survey released by the ABS on 6 June 1995. Further, some comments made in the article are quite dishonest when they represent the often misinformed comments of a few ABS staff made many months ago as current comment and evidence of a "row" within the ABS.

ABS knows that violence in society takes many forms and that the Women's Safety Survey focuses on only one aspect of the policy debate: violence against women by men and women (note: not just violence against women by men, as suggested in the article). For this reason, before agreeing to proceed with this survey, the ABS considered first whether this aspect was of significant public interest, second whether ABS could collect objective and high quality data, and third whether the information collected would inform public debate and discussion. It was satisfied on all counts.

I will not attempt to correct the errors of fact in the article. I do, however, want to assure your readers that the Women's Safety Survey will be done to the normal high ABS professional standards so that accurate and relevant data will be produced. We will live up to our reputation of being a world-class organization with a proven record for integrity and objectivity.

W. McLennan, ABS, ACT

John Coochey replies:

Despite pious indignation, Mr McLennan does not even attempt to rebut any of the facts in my article...
because he knows they are supported
by irrefutable evidence. Family vio-
lence will not be solved by exaggera-
tions, false or incomplete data, or by
client-driven and client-funded advoca-
cy research posing as objective study. If
ABS wishes to retain public credibility,
it must expand the survey to cover all
cases of domestic violence, not merely
those specified by the Office of the Sta-
rus of Women (OSW).

I am pleased that the head of
OSW has eaten her words of 19 Feb-
uary and decided to allow the incul-
tration of violence between women (but
not against children or men) in the
survey. Nevertheless a draft OSW-Abs Agreement defined it as “a su-
vey of violence against women by men” clearly showing its original
intent. Did Mr McLennan object to
this? If so, did he object before objec-
tions were raised in public?

ABS statistics already show that
men are 80 per cent more likely to be
assaulted than women; they have short-
ter lifespans and a higher mortality rate
from industrial and motor accidents.
Available evidence also shows that men
are as often the victims of domestic vio-
lence as the perpetrators. So if a survey
had to focus on only one sex as victims,
it should surely be men.

Only 0.7 per cent of women even
claim to have been assaulted in their
own homes in any one year: the only
way the OSW’s claim that “30 per
cent of women are at risk” can be jus-
tified is to redefine violence until it
means virtually anything.

The 6 June release, referred to by
Mr McLennan, contained nothing of
substance. But it did cause WA Min-
ister Roger Nicholls to question the
need for the survey because a Uni-
versity of Western Australia study,
released in May, had shown that only
0.5 per cent of women had been
assaulted by a partner or ex-partner
and that half of all domestic violence
cases reported to the police were from
the Aboriginal community. That sur-
vey did study men as victims and
again showed men were, overall, twice
as likely as women to be victims of
assault. The survey employed scientif-
ically correct methods but arrived at
politically incorrect answers.

ABS has closed down the comput-
er data base on which staff were voic-
ing opposition to the survey. When
losing the argument silence the media.

John Corey
ACT

Greenhouse Fears

Many of Dr Brian Tucker’s criti-
cisms of greenhouse (IPA Review,
Vol. 48/1, 1995) now echo those I
made in Postponing Greenhouse in 1990.
But I cannot agree with his account
that largely absolves scientists from
fault, including talk of potentially
calamitous effects.

Greenhouse fears in Australia
were raised by scientists, promoted
by scientists, and sustained by scientists,
particularly a hubristic CSIRO. As
recently as 10 May 1995, CSIRO sci-
entists warned on ABC Radio that by
2030 greenhouse might cause Pilbara
towns to have a 50 per cent increase in
the annual number of very hot days
(above 40 degrees). This alarming
‘prediction’ was based not only on the
usual vast array of greenhouse uncer-
tainties, but on the simultaneous con-
junction of more than six additional
assumptions, all unlikely and several
already discredited.

One of the most blatant examples
where Australian scientists sustained
exaggerated fears is the government
publication Grappling with Greenhouse,
the definitive book “to encourage
informed debate”. In December 1992
this CSIRO-authored book repeated
1988 forecasts made out of date by
Revealingly, no CSIRO publication is
referenced by Dr Tucker in IPA Review
or his IPA Backgrounder.

His article identified four groups
at the Berlin Conference displaying
“tinges of hypocrisy” and “blatant
self-interest”. There is no reason to
omit a fifth group, scientists.

Scientists exploit many green-
house uncertainties as reasons to fund
research to reduce uncertainty. The
1995 Federal Budget allocated over
$11 million to climate change and
greenhouse research.

Yet they make policy advocacies
despite such uncertainties. For example,
in 1991 CSIRO strongly promoted the
Toronto target to the Industry Com-
mission inquiry. Further, in its sub-
mission and in the June 1991 Bulletin
of the Business Council of Australia,
CSIRO attempted to ridicule my deri-
sive views on that target, effectively
suppressing other sceptics. I am
pleased that many like Dr Tucker are
now also derisive, but all necessary
evidence was available before the Rio
convention, when collective scientific
sarcasm would have been much more
effective.

I had hoped such historical differ-
ences need not be revived, but the
issue is far bigger than simply green-
house. Greenhouse simply provides unparalleled opportunities to prove that scientists should not be allowed to walk away from the political beasts they help to arouse. They continue to have a special responsibility until policy advances step-by-step with knowledge. If society insists on this, perhaps in future scientists will focus more on knowledge (scientia) rather than fear.

Brian J. O’Brien, Floreat Park, WA

Public Health

Recent media reports have drawn public attention to the high cost of the new-generation 'designer drugs' and the rationing and cost shifting which have become part of Government health policies.

I recently dispensed the most expensive prescription that I have seen in over 30 years in a community pharmacy — a government-funded, new designer drug with a cost to the taxpayer of just under $18,000.

This particular drug was for the temporary palliative care of an HIV/AIDS patient and will represent only a minor part of the ongoing cost of treating the symptoms of the disease as he progresses to early death. The overall cost to the health system of treating this patient will, in all probability, exceed several hundred thousand dollars.

Naturally, drug companies are spending many millions to develop and market any new drug for which they can make some claim for delaying the progress of HIV/AIDS. The above example illustrates the 'sky’s the limit' pricing adopted when such a bonanza is discovered.

Recent developments indicate that early intervention with multiple, costly new drugs will add enormously to present treatment costs.

Unlike diseases with less political impact, there seems to be little difficulty in obtaining Federal Government funding for these invariably expensive drugs to extend briefly the lives of those suffering from AIDS.

In a society which, by financial necessity, ration medical, open-heart surgery, joint replacement and hospital treatment for non-preventable illness, it is difficult to rationalize an almost open cheque-book approach to a disease which, at least in Australia, is largely preventable.

Statistically, in Australia over 90 per cent of AIDS-related deaths still occur in people who practise anal sex. The ‘Safe Sex — Use a Condom’ campaign is misinformation. Using a condom may be safer than unprotected sex, but it isn’t safe.

Any government which has genuine concern for the health of its citizens should undertake an effective information and prevention campaign which tells the truth about the health risks of anal sex.

Death by AIDS is horrific for sufferers, their carers and their families and ruinously costly to the public purse, and it is past time that the public was accurately informed about this disease and its transmission.

A society which copes with graphic education campaigns about the risks and the results of smoking, drink driving and illicit drug use should have no difficulty in coming to terms with the absolute reality of the risks of anal sex.

V. Carroll PhC, Kurri Kurri, NSW

Death and Republicanism

Death may be inevitable, but a republic is not. I, in any case, will resist both. Perhaps there is a link between republicanism and euthanasia!

As Graham Lederman astutely observes (IPA Review, Vol. 48/1), the politicians only want a puppet president, but 80 per cent of the public (if Australia’s elite forces a republic on them) want an elected one. A popular president would be independent of parliament and at least as powerful.

The system as we know it would end. Instead of power residing with major parties checked by a Royal/Vice Regal referee, we would have two competing centres of power. The two-party system could not survive.

Some would see this as a good thing. Our major political parties are moribund, redundant and ideologically barren. Both pathetically compete for the middle ground on every issue — be it trade, commerce, social welfare, foreign relations or conservation. Both quake in fear before minority pressure groups — multiculturalists, feminists, environmentalists, Aboriginal separatists and liberationists (chemical, animal or gay). They have lost their reasons for existence.

The Labor Party was very much a 19th-century British working-class creation. It is no longer working-class. Now it is trendy, middle-class, anti-British and stuck in the ‘flower power’ 1960s. The Liberal Party lost its way when Australia’s golden age ended. The National Party still represents provincial Australia, but the Greens and the Democrats are satellites of the ALP.

Should a non-political president be elected, the ALP could collapse from insolvency and ethnic rivalry. The Liberal Party could disintegrate. The vacuum would be filled by a multitude of fringe dwellers — left-over lefties, Maoists, separatists, New Age, New World Order, National Front, Humanists, National Alliance, Citizens Electoral Councils, ethnic parties, environmentalists and a dozen others. Anything could happen. Perhaps a new Weimar Republic.

History shows us that when a country is shoved onto the slippery road of unnecessary change the outcome is rarely that desired by the agents of change. The agents of change are usually its first victims. Keating may have just euthanased the party system.

Kevin McManus, Ashfield, NSW
From the Editor

LAST year in this magazine (Vol. 47/1), Robert Putnam summarized the results of a 20-year empirical study of Italian regional governance. He concluded that the factor which most of all distinguished the Italian regions in which democracy had thrived from those in which it had failed to take root was the presence in the former of robust voluntary associations. His finding — as Austin Gough, responding to Putnam in the same issue, recognized — has relevance to Australia: it underscores the need to strengthen and to give greater recognition to the role of voluntary associations in our own society. This theme is taken up by Vern Hughes in the current issue.

As an adjunct to Hughes’s article, IPA Review surveyed a selection of voluntary associations to gauge how they are faring. Thirteen are profiled on pages 36 to 38. Some new associations appear to be thriving; but for many of our best-known, longest-standing community organizations the picture is bleak. They will not die tomorrow or next year — they still command the support of hundreds of thousands of Australians — but their memberships are falling and they are attracting insufficient new blood to reverse the trend. Perhaps they have run their course. Perhaps their ideals are out-of-date. If that is so, it surely bodes ill for the vitality of our civic life.

How are the associations responding to the erosion of their support? Some — no doubt anxious not to be seen as out of touch — have embraced the language of modern corporate management and public relations. The Scouting Association boasts of “bold initiatives to reposition itself in the youth development market”; the Girl Guides Association intends “to create and implement a marketing plan and a public relations strategy” and states its mission “to develop [girls’] self confidence and self esteem away from the social pressures to conform with stereotypic gender expectations”; yet another association aims to become “the industry leader in quality standards”. It seems a long way from the older language of “noble-hearted endeavour” (the RSL), “faith in the worthiness of my vocation” and “my obligations as a citizen” (the Lions Club).

FADING: Why are many of the older associations — the CWA, the Lions Clubs, Freemasonry, the Scouts, the volunteer fire brigades, to name a few — losing members?

The simplest explanation is that people were more public-spirited in the past than they are today. Many of the organizations now in decline were at their strongest in the years immediately following World War II when the ideals of self-sacrifice, service to country and comradeship were still uppermost in the minds and hearts of Australians. The ideals faded in a postwar climate of affluence and security. To the generation growing up in the 1960s the experience of national crisis and austerity which had shaped the preceding generation seemed remote indeed. The call to public duty which had stirred the War generation sounded stuffy to a generation raised on Benjamin Spock.

But the longing for community did not disappear. Some of the communes and co-operatives which grew up as part of the counter-culture of the 1970s evolved into stable voluntary associations which are still functioning. Many others, however, disintegrated under the contradictions of their own utopianism or were seduced into joining the queue for government hand-outs.
The waning of religious conviction has probably contributed to the weakening of public-spiritedness. Within Western culture, the ethic of community service derives, at least in part, from a Judeo-Christian ethic of charity, although it may be expressed in purely humanitarian terms. Not surprisingly then, the mainstream churches have lost support over the same period in which the older-style voluntary associations have lost members.

There is also the growth of government, which increasingly has tended to squeeze out civil society in its performance of charitable and service functions (see, for example, the case study of Manchester Unity on page 35). And with that have come changed attitudes: where once an organization would form to tackle a need in the community directly, now it is more likely that it will form to lobby government to tackle the need. Our reliance on government, as Vern Hughes points out, is not new in Australia, but it has grown as government has grown. Our first response to social problems is now less likely to be "What can we do to help?" than "Why doesn't the government do something about it?"

Television has also had an impact on associational activity. The three hours a day which Australians, on average, spend in front of their television sets is time that, in the past, could have been spent at association meetings. Moreover, the habits which television encourages — passivity, domesticity, social disengagement — are at odds with the development of community spirit. The irony in all this is that some of the most popular programs on Australian television — Home and Away and Neighbours, to name two — are popular precisely because they portray vibrant communities (see 'A Place in the Heartland', IPA Review, Vol. 47/2).

A further irony is that our addiction to the screen is already forming the basis for new types of associations via the Internet — associations which are unrestricted by distance or even by national boundaries. Inevitably, however, Internet associations lack the richness of social interaction of organizations which rely on face-to-face meetings and the telephone.

ON THE RISE: Not all voluntary associations are in decline. Those that are doing well typically fall into one or more of three categories: self-help groups, lobby groups or those which have harnessed idealism to a popular cause, such as the environment.

Of course, most organizations are 'self-help' in some respect: they provide some services for their members, even if only friendship or access to a network of business contacts. But the organizations which are losing members tend to be those set up for altruistic purposes. The groups which are thriving today are often those set up for the primary purpose of providing support, information, buying power or other services for those who belong to the organizations. Health support groups are a leading example; so are ethnic organizations, child-care collectives, Parents Without Partners and Neighbourhood Watch.

Over the last quarter-century the strength and range of community lobby groups have also grown — anti-freeway groups, public housing coalitions, consumer and welfare lobbies, and so on.

What sort of causes inspire people to join associations? Being 'fashionable' helps, but it is not enough. Just as the national crisis of World War II generated a strong sense of collective purpose, so the success of bodies like Greenpeace has depended in part on their capacity to identify (or invent) an external threat, a crisis of international proportions. Of all the material supplied to IPA Review by voluntary associations, Greenpeace's was the most compelling (and the most professionally presented). Greenpeace offers members not only the opportunity to help counter what it asserts is a worldwide environmental threat, but also the sense of purpose, security and warmth gained by belonging to a closely-knit community.

These elements — the perception of external threat and the promise of community — also help account for the relative success at attracting members of the charismatic churches and of the Liberal Party during the Whitlam years (see pp 36-37).

Neither insecurity nor the longing for community, nor even idealism, it seems, have disappeared; but they have changed. The challenge of public-spirited voluntary associations is to tap those sentiments and harness them to worthwhile goals.

— Ken Baker
Number of employees of the Australian Taxation Office: 18,109
Number of errors in the 1995 Tax Pack: 56

Senate Hansard, 19 June 1995
1399; Federal Ombudsman

Percentage of Australian (civilian) population aged 15 and over in receipt of Commonwealth income support:
in 1970: 13.5
in 1993: 30.7


Number of signatures on petitions tabled by Senator John Herron opposing the Department of Health sex guide published in Cleo: 125,000

Number of nuclear weapons tests carried out by China since 1964: 43
Latest: August 1995

Internet users per 1,000 population (January 1995)
Finland: 14.0
USA: 12.5
Australia: 9.0
New Zealand: 9.0
Canada: 7.0
UK: 4.0
Germany: 2.5
Japan: 1.0

The Economist, 1 July 1995

Internet users per 1,000 population

Average gross weekly income among Australian residents by birthplace (1990)
Australia: $556.00
Overseas: $582.00
(From English-speaking countries: $631.00)
(From non-English-speaking countries: $544.00)


Percentage of Australian families who own or are purchasing a home: 74

ABS, Cat. No. 4424.0


Internet users per 1,000 population

Total expenditure on health (% of GDP)
1960 1992
USA 5.3 14.0
Australia 4.9 8.8
Sweden 4.7 7.9
New Zealand 4.3 7.7
Japan 3.0 6.9
UK 3.9 7.1

Too Hard to Cut?

DEREK PARKER

It was begun, like many things which turn out badly, with the best of intentions. In the economies of the West in the 1950s and 1960s, it seemed that the good times would go on forever, and it seemed equally obvious that government should provide a system of benefits and payments which often stretched from cradle to grave. But when the welfare state became a nearly unbearable burden in the age of economic contraction that began in the 1970s, dismantling it proved to be an almost impossibly difficult task.

Ronald Reagan and Margaret Thatcher were elected to reverse the growth of the welfare state but a decade later it remained mainly intact, if somewhat battered. In a recent book, Dismantling the Welfare State (Cambridge University Press), Paul Pierson, a Harvard professor, examines the attempts at large-scale reform in the US and Britain, and his conclusions are fundamental to the course of reform in Australia.

Both the Reagan and Thatcher administrations did not, at least in their early stages, lack political will. Is reform, then, simply a matter of a government passing a piece of legislation to dismantle a program, and then collecting the savings? It is, after all, possible to identify areas of spending where major saving can be made: a figure of $15-16 billion has been suggested in Australia, for example (see IPA Backgrounder, 10 February 1995).

So what stops a government which arrives in office with an agenda of reform? There are potentially great political benefits to be gained from dismantling the welfare state (aside from the principles of economic management involved) such as the possibility of lower taxes or a reduced public-sector deficit.

POWER IS DIVIDED: Government, says Pierson, is harder than it looks from the Opposition benches. The executive is not the only player in the political arena, even if it is the most obvious one. In the US, political power is deliberately fragmented between the White House and Congress. Only in the first two years after the 1980 election was there a conservative majority in the Senate, and then it was an unstable coalition of Republicans and Southern Democrats. The Democrats were never in danger of losing control of the House of Representatives.

The result was that most budgets drafted by the White House were thoroughly restructured. The tax cuts were kept but the spending cuts were rejected. There was, however, a faint silver lining: fragmentation of power can make it easy to avoid blame. This was the case when substantial amendments were made to the Social Security (old-age pensions) system: each branch blamed the other for making the cuts.

So has the welfare state proved durable because of a lack of institutional capacity for change? Perhaps in the US experience, but the answer hardly applies in Britain where executive and legislative power is concentrated in the central government. But this is not all it seems, says Pierson. The government must still ensure that it retains the support of the party, espe-

Derek Parker is a freelance writer based in Melbourne.
TOO HARD TO CUT?

REDUCING GOVERNMENT PROVED BEYOND THE CAPACITY OF EVEN MARGARET THATCHER AND RONALD REAGAN. WHAT CHANCE WOULD A COST-CUTTING GOVERNMENT IN CANBERRA HAVE?

The dire future facing New Zealand if it did not change its ways seemed to be fairly broadly understood, and the phrase “there is no alternative” (adopted from the Thatcher government) took on the status of a mantra.

Managing Criticism: A proposal to dismantle any part of the welfare state attracts criticism: the issue is how much. The recipients of the program to be cut will undoubtedly protest, as will those involved in the delivery of the program (such as a public service union). Universal pension payments are seen as a right by the recipients, and any attempt to reduce them sets off a firestorm of protest. Proposals to reduce unemployment benefits, on the other hand, are usually attacked only by those directly affected. The aim of the government must be to limit criticism so it does not begin to erode support within the party.

A key element in the mobilization of criticism is the attitude of the media. Pierson refers to the “Dan Rather test”, meaning that reforms are more likely to generate a popular outcry if they can be explained in 15 seconds. There may be advantage in presenting reforms in a package too broad-ranging and detailed for easy media description (although one thinks of John Hewson’s ill-fated Fightback! policy, where one component, the Goods and Services Tax, became the sole focus of the entire package).

Complexity, or at least its appearance, is a major weapon for reformers, says Pierson. Amendments to eligibility criteria or indexation arrangements, for instance, are hardly likely to rate much attention in the media. One particularly successful case of obfuscation was the change, in Britain in 1980, of indexing pension rises to inflation rather than average earnings. By 1990, the move was saving £4 billion a year. Neither are small, individually insignificant cuts. Between 1979 and 1988, unemployment benefits in Britain were cut 17 times. The total impact was substantial, but no slice was sufficient to act as a rallying point for broad dissent.

The problem with this method of reform is that it amounts to little more than tinkering, rather than addressing the problem in a structural way. It means not only that the opportunity for savings is reduced, but that a change of government may see the easy reversal of any gains made.

A good part of Dismantling the Welfare State deals with the politics of blame avoidance. Pierson’s analysis suggests a variety of ways in which a government can shift or dodge criti-
When benefits are delivered through an intermediary, such as subsidized health services, it may be possible to pass responsibility for cuts in benefits on to the intermediary or even hide the change altogether. This was done when, in America, the Medicare funds available to private health-service providers were reduced. Patients received increased bills, but blamed the providers rather than the government.

In a federal system, it might also be possible for the central government to reduce grants to State governments as a means of cutting programs, hoping that the State governments will bear the electoral consequences. It must be said, however, that a federal system can also act as a severe impediment to reform. The attempt of the Reagan Administration to cut aid to families with dependent children, a program delivered through the States but financed by the central government, failed because the State governments found ways to maintain the program, sometimes shifting money from other federally-financed programs.

Another possibility is to attack capital, rather than current, spending, such as the building of public housing for welfare recipients. Again, the success of the technique hinges on the lack of media interest. Because the ‘losers’ will ‘lose’ in the future, there is no obviously penalized group to provide a focus for media attention. The complex nature of cuts in capital spending also provides plenty of opportunity for the fudging of figures by the government.

Is lying the only way?:

Interesting as Pierson’s suggestions are, the obvious point remains that they are based on political dishonesty. Pierson is firm in his view that there is no other way to achieve even marginal success, but is the picture really so grim?

A key issue not properly addressed by Pierson is the issue of why ‘losers’ are more inclined to punish governments than ‘winners’ (for example, the recipients of lower taxes) are inclined to reward them. Is the problem merely one of poor communication: that the benefits are not properly explained? If so, can it be addressed through government-sponsored advertising or similar propaganda? Possibly, but it may be that taxpayer-funded information programs are a key reason underlying the remarkable level of electoral cynicism. If so, then no amount of glossy advertising will change the situation: just the opposite may turn out to be the case, and cynicism will be entrenched even further.

The case of New Zealand, which has been relatively successful in reforming welfare in the past decade, provides an important insight into the question. Two points marked the period of reform that began with the Lange Labour government (although the driving force was Finance Minister Roger Douglas). The first was the depth of the crisis: decades of mismanagement and financial irresponsibility had brought the country to the brink of insolvency. The dire future facing New Zealand if it did not change its ways...
seemed to be fairly broadly understood, and the phrase "there is no alternative" (adopted from the Thatcher government) took on the status of a mantra.

Closely connected to this was the second point, the attitude of the party in opposition. Unlike in Britain and America, where Labour and the Democrats sought electoral advantage in opposing the reform agenda and promised to reverse the changes, the Nationals largely accepted the Douglas initiatives, and at times even accused the government of being insufficiently rigorous (the "overtake on the right" strategy). This meant that opponents of the government, both inside and outside Parliament, had no logical place to go. The threat of electoral retaliation was therefore heavily discounted. A variety of left-wing splinter groups and parties eventually developed, but to date their chances of winning government seem distant.

The bipartisan acceptance of the reform agenda was reflected in the government's communication program, which emphasized the provision of information about the crisis and the remedies (especially the introduction of a GST) rather than political self-promotion.

There are crucial lessons for Australia here, should a party that wants to wind back the welfare state — at least in part — win office in Canberra. Such a government might find some success at the margins of policy with the tactics explained by Pierson: obfuscate, avoid blame, shift responsibility to others.

If it wants to go further, it will need to communicate to the public the current level of expenditure of the welfare state — an issue not understood — as well as the adverse impact it has on the economy. But its communication program will need to be straightforward and obvious: any attempt to make it look like commercial advertising, or to draw partisan advantage from it, will merely disillusion the community and delegitimize the government's proposals.

The tactic of candour will only work if the party in opposition accepts the reform agenda. If the Opposition acts to confuse the electorate by questioning the government's motives and calculations, and provides a constant drumbeat of criticism through the media, then the process of comprehensive reform becomes much more difficult.

One may think that for political parties to turn away from opportunism in the cause of the greater good is unlikely, even impossible. After all, in the past decade failure has been painfully common and success rare.

Yet the present leaders of the left-wing parties in America and Britain, Bill Clinton and Tony Blair, seem at least to have grasped the essential fact that welfarism has adverse consequences. Clinton speaks of "ending welfare as we know it"; Blair has put the view that the provision of benefits should be mixed with market forces. Both seem to see the welfare state as a necessary evil, not as an intrinsic good. Debate now centres around the means and details of reform, rather than the need for it. This is a fundamental step, and suggests that the possibility of reform may not be as bleak as Pierson believes.
WHO WOULD SUGGEST THAT WHEAT FARMERS DID NOT HAVE THE AUTOMATIC RIGHT TO HARVEST THE WHEAT THAT THEY HAVE SOWN? ARE TREE FARMERS SO DIFFERENT?

MISGUIDED: Despite their disagreements both major parties appear to have accepted the notion that tree farmers should register their plantations to establish their right to harvest the trees. However well-intentioned the establishment of such a register may be, its price will be to hand regulation of the harvesting of private plantations to whichever organization administers the register. It is possible that the accreditation of a plantation could stand for decades only to be cancelled on harvest day. Indeed, the earlier Harvest Security Bill, prepared with mini-

IAN MOTT

IN New South Wales, the major factor retarding the expansion of plantation forests on private property is the plethora of local government environmental protection measures. In some council areas 'tree preservation orders' prevent the removal of any tree taller than three metres. So tree farmers risk being prevented from thinning or harvesting their crop because of the 'significant heritage values' that the plantation may acquire as it grows.

To exempt plantation forests from some of the more inappropriate State and local government requirements, the industry has sought overriding State Harvest Security legislation. To date, none has been forthcoming and Australia's $3 billion trade deficit in wood products continues.

The outgoing NSW Liberal Government did get a Bill to the first reading at the end of their term, and it was subsequently re-presented as a private member's bill by the Member for Ballina and Shadow Minister for Land, Don Page. Despite earlier support, Labor withdrew support on taking office, opting for further consultation. Queensland has been awaiting NSW developments before adopting similar legislation.

misguided: Despite their disagreements both major parties appear to have accepted the notion that tree farmers should register their plantations to establish their right to harvest the trees. However well-intentioned the establishment of such a register may be, its price will be to hand regulation of the harvesting of private plantations to whichever organization administers the register. It is possible that the accreditation of a plantation could stand for decades only to be cancelled on harvest day. Indeed, the earlier Harvest Security Bill, prepared with mini-

Ian Mott is Principal of employment agency Talent Bank Recruitment Services.
mal consultation and obviously reflecting the view of the Department, states: “The accreditation of a tree plantation remains in force unless it is cancelled by the Director General.” This is an Orwellian perversion of the word ‘security’.

The Bill then specifies when the Director General can cancel accreditation. Sec 16(a) states, for example, that cancellation can occur “[i]f there has been a significant breach of the code applying to the plantation, and that such breach has not been remedied”. The codes were to be prepared after the legislation was passed and could, in Sec. 20 (3.a), “authorise any matter or thing to be from time to time determined, applied or regulated by any specified person or body”. They could also be amended by regulation, without the scrutiny of Parliament.

So any future Minister who sees votes in removing the right to harvest a particular class or section of forest, or who seeks a new addition to the National Estate, would only have to tighten the regulations to a point where compliance would be uneconomic. Given that there will be at least 25 State elections over the life of a cabinet-timber plantation, and given that the life cycle of an administration is rarely more than three terms in office, then a plantation must survive the slings and arrows of at least eight gov-
grower being refused accreditation

cernments who will do just about anything to get one more term in office. If only one of them goes for the cheap green votes then a tree farmer’s investment could be locked away.

In light of these deficiencies in the draft legislation, it is clear that real harvest security has been sacrificed in the Department’s haste to extend regulation to an area over which it has previously had no control.

The best plantation forests are grown by farmers who imitate and facilitate the work of nature. These will be the plantations that relieve the pressure on old-growth forests and are more likely to be selectively harvested than clear-felled. But — and this is the cruelest irony — they are also the plantations that will acquire ‘superior heritage values’ in the later years of the rotation, and so face a higher risk of logging prohibition.

A register will not reduce this risk for it still implies that the use of all trees is subject to the discretion of government unless a solid case is made to exempt them. The burden of proof, in establishing that trees are a crop and therefore harvestable, will be borne entirely by the grower. And, however streamlined that process may become, it will have to be done at each new planting and at each harvest. Tree farmers will become the only primary producers who do not have the inalienable right to harvest the (legal) fruits of their labour.

The question at the crux of the whole issue is this: if accreditation is necessary, then why is it not automatic? What could possibly justify a grower being refused accreditation for a plantation in which he has invested so much time and money? Indeed, to refuse accreditation would surely amount, in effect, to sanctioning the fraudulent acquisition of the grower’s capital.

The protection accorded by legislation should be automatic. The Act must state clearly to present and future generations that any benefit that the public may derive from the trees is a gift from the person who planted them. It must recognize that the gift is given on condition that the grower can dispose of those trees as he sees fit.

If a farmer is allowed to do all the ‘ecologically questionable’ things that he does in farming other crops, then surely he should be allowed to farm trees. For the only ‘in-principle’ difference between a wheat crop and a timber crop is the time elapsed between planting and harvesting. And it is outrageous to suggest that a wheat farmer could be refused permission to harvest a crop that he has already planted or, indeed, may plant in future.

It is equally outrageous that the growing of the one major crop which Australia cannot produce in sufficient quantities to meet domestic demand should be subject to such uncertainty.

It is outrageous that the growing of the one major crop which Australia cannot produce in sufficient quantities to meet domestic demand should be subject to such uncertainty.

**Effective Harvest Security legislation must have a default sequence, one which automatically grants accreditation to any plantation where the intention to harvest is obvious.**

**A BETTER WAY:** Yet, it is all so unnecessary. When the relevant Ministers allocate the time to think it through they will recognize that the ultimate test for accreditation can only rest with the intention of the grower to harvest. And just as we differentiate between wild wheat and a wheat crop by a number of features which indicate an intention to harvest — like plant variety, crop maintenance, rows, spacing and monoculture — the same can be done for trees. Most commercial plantings are in rows and if not in monoculture then in a standard mix of species. There is no more unambiguous demonstration of the intention to harvest than the planting of trees in rows. Indeed, who could possibly mistake trees planted in rows for anything but a plantation?

Effective Harvest Security legislation must have a default sequence, one which automatically grants accreditation to any plantation where the intention to harvest is obvious. The bureaucratic processes would then only be required for those forests which are not clearly identifiable as plantations. Such a move would halve the anticipated departmental workload from day one. Other ‘interested parties’ would only need to look at the trees with an awareness of the definition under the Act to know that what they see is a plantation and to know that what goes on there is none of their business.

Landowners already have control over 75 per cent (the land and the labour) of the inputs to a tree plantation, and tax considerations contribute another 10 per cent. The nation has more than enough underutilized land to become a sustainable net exporter of wood products. The only thing lacking is recognition of the grower’s fundamental right to farm trees.
COMMENTATORS now suggest that the chances of a Labor victory at the next federal election are slim. Indeed, it is even suggested that, unless something dramatic occurs, the Coalition could achieve a landslide comparable to 1975.

A diversity of explanations is being proffered. Some say that the electorate has ‘reform fatigue’: that it has yet to adapt to the new, more uncertain economic environment of the 1990s (which features low inflation and a more competitive job market) and that it is taking out its insecurity on the Government. Others believe that the Government has dropped the reform ball and that the apparent re-emergence of ‘old’ problems, such as Australia’s current account deficit, point to the Government’s shortcomings and the threat of another recession.

Cutting across both these streams of thought is the apparent worldwide dissatisfaction with the role of government and the resultant difficulties which most incumbent governments are experiencing. Both major political parties thus face something of a quandary in deciding how they should present themselves to the electorate.

TARNISHED IMAGE: Can Mr Keating do anything to save the situation? Perhaps the die is cast and the electorate has already decided that nearly 13 years of one party in power is enough for any democracy. Perhaps Paul Keating’s image is already tarnished beyond redemption as a result of his perceived arrogance, and his persistent tendency to exaggerate the benefits from his Government’s policies while overlooking the costs.

In an address to the National Press Club on 24 August, for example, the Prime Minister ‘explained’ Labor’s five successive electoral victories in terms of the economic policies he had pursued, first as Treasurer and then as Prime Minister, and claimed that Labor alone had the capacity to give Australia a ‘long-run, low-inflation period of growth, to see it adopt a productivity culture, a savings culture, and to give it a place in the Asia-Pacific the Liberals could not even have conceived of’.

Fewer and fewer people believe such claims. They ask why, after 13 years, Labor is only now promising a culture based on savings and productivity, and they are sceptical about its capacity to deliver.

Many people are also concerned that Mr Keating will repeat the policy mistakes of the 1980s and that, as a result, there will be another recession and a renewed jump in unemployment. The current account deficit blow-out — once again to levels which in the 1980s led to very high real interest rates — and the sharply increased real interest rates over the past two years, have reinforced those concerns. One consequence is that people, whether as individuals or as business entrepreneurs, have become more averse to taking risks and hence more cautious about undertaking expenditure.

This has been reflected in the progressive decline in the trend rate of growth in business investment, private consumption, housing expenditure, and in total GDP, since the June quarter of 1994, as the table overpage indicates.

Somewhat ironically, the reaction reflected in the figures in this table may actually be reducing the risk of another recession because it should reduce the likelihood of higher inflation and continued very high current account deficits. However, it is also heightening the feeling that we may have experienced only “five minutes of economic sunshine”, a feeling reinforced by statements by Mr Keating and his Treasurer — at a time when unemployment is still above eight per cent — that the slowing in the economy accords with government policy.

Moreover, if the composite leading indicator (CLI) compiled by the Australian Bureau of Statis-
tics is to be believed, this perception will be reinforced in the period ahead. The CLI for the June quarter showed its biggest fall since the June quarter of 1974 (when GDP fell). As the ABS claims that the CLI is a good predictor of trends in the next two quarters, this suggests that the slow-down will continue and possibly even decelerate further. There is also a strong indication that, as the jobs market starts to reflect the slow-down in economic activity, unemployment could now cease falling and even rise for a period. With the overseas economic outlook also again apparently deteriorating, it thus seems almost certain that the “five minutes of economic sunshine” perception will remain firmly in people’s minds — and perceptions count in politics.

NEW DIRECTION: Against this background Mr Keating’s only chance of re-election may be for him to undertake a quite radical change of direction. What would be required?

He should consider moving in a direction similar to that being taken by President Clinton in the US and by the new leader of the UK Labour Party, Tony Blair. Both have recognized that the electorate is increasingly seeing government as part of the problem and that there needs to be a shift away from dependency on government and government intervention in our economic and social lives.

Mr Blair has also recognized that the close relationship between Labour and the trade union movement may be an electoral liability. Hence trade union voting power at Labour Party annual conferences is being reduced, as is the role of such conferences in determining party policy. Blair has emphasized that, in deciding its industrial relations policies, a Labour Government will give business an equal say with trade unions.

Blair’s move towards the middle ground is producing much heartburn within his own party, just as Clinton’s moves in the US are being opposed by many within the Democratic Party. Mr Keating would no doubt encounter similar resistance in the ALP should he have the courage to do the same.

What would a ‘new Keating’ approach look like in terms of economic policies? In very broad terms, it might involve:

a) acknowledgment that mistakes in macro-economic policies contributed to the recession, and an undertaking that the Government will do its utmost to avoid a repetition by setting medium-term objectives for budgetary and monetary policies and sticking to those objectives, i.e. forswearing ‘Keynesian’ policies aimed at producing favourable short-term changes in spending;

b) as part of (a), undertaking to move more quickly to reduce Australia’s external risk exposure by making the Commonwealth a substantial net saver, i.e. achieving a substantial budget surplus;

c) as part of (a) and (b), instituting a major review of Commonwealth expenditure with a view to cutting back, over time, on benefits (social security, health and education) provided to middle-income groups, and creating enough expenditure savings to allow, in due course, a responsible reduction in income taxation;

d) instructing the Reserve Bank to operate monetary policy so as to endeavour to keep underlying inflation within a prescribed range, preferably 0-2 per cent p.a.;

e) undertaking to implement industrial relations reforms which, while providing for specified minimum conditions, allow employers and employees to enter into employment contracts without harassment by unions;

f) instituting of a major review of the taxation system, including an examination of US proposals for a flat-rate ‘income tax’ which exempts saving from taxation;

g) speeding up micro-economic reforms in areas such as the waterfront and shipping and giving priority in such reform to the national interest (as distinct from the interests of union members);

h) above all, a commitment to aim for a culture that encourages enterprise and profit in the mutual interests of labour and capital, and as being the most likely way to restore full employment.

A ‘new Keating’ approach along these lines would certainly steal some of the clothes that John Howard would be hoping to wear into the election debate. It might also improve Labor’s election prospects.
At Visy Board, we pride ourselves on making the most innovative, practical and economical corrugated cardboard boxes in the country.

But we also pride ourselves on being Australia's leading recycler of waste paper and cardboard.

You could say we kill two birds with one stone. Without killing any trees.

Call us at Visy Board and find out how we can help with your business.
Queensland (07) 3248 1444.
Darwin (089) 47 1977.
Victoria (03) 9247 4000.
Tasmania (004) 24 9819.
South Australia (08) 300 1600.
New South Wales (02) 828 1000.
Western Australia (09) 311 1999.
THE accompanying series of newspaper headlines on the state of the economy over the past 20 months presents a roller-coaster conspectus of print media views on that topic during that period.

During most of 1994 these headlines portrayed an enormous surge of economic optimism. December 1994 then saw the gradual onset of what became, over the early months of 1995, a mounting tide of doubts and fears. Then — hey, presto! — those doubts and fears gave way to optimism once again.

How accurate a picture of the real condition of the Australian economy would an otherwise uninformed observer have obtained simply from reading these (and similar) headlines? Do they more or less accurately depict the course of economic events since early 1994? If not, why not?

In responding to these questions, I wish to make three main points:

- Although the real course of economic events over the period never did justify the immoderate transports of those headline-writers, in all fairness to them it should be acknowledged that even more detached economic analysts have not always, during this period, found everything plain sailing.1

- With a relatively small number of notable exceptions, few journalists writing in our press today seem to possess the intellectual and/or professional stature to stand apart from the mob of their fellows, to think for themselves rather than

---

18 IPA Review Vol. 48/2. 1995

---

ECONOMY FINALLY PICKS UP SPEED
This jet of ours may be a jumbo, but once it gets going it can really move. And even with a million unemployed still on board, no one can doubt that the Australian economy is moving now. (The Age 14.1.94)

GROWTH IN JOBS GATHERS STRENGTH
A substantial fall in unemployment and strong jobs growth in December has confirmed that the jobs crisis has turned the corner ... (The Australian 14.1.94)

OPTIMISM SURGES IN CORPORATE SECTOR
Corporate confidence in the Australian economy has soared, fuelling expectations of a jump in investment levels during 1994 ... (Australian Financial Review (AFR) 28.1.94)

AN ECONOMIC HIGH
The combination of strong growth and low inflation has put the Australian economy in what the Federal Government describes as its best position in 30 years, poised on the brink of the largest economic upswing since the 1960s. (AFR 2.2.94)

CONSUMER CONFIDENCE HIGHEST FOR SIX YEARS
Consumer confidence is at a six-year high and the housing boom has been maintained, confirming that the “jumbo jet” recovery referred to by former Treasurer John Dawkins, is well and truly airborne. (The Age 18.2.94)

ECONOMY IN BEST SHAPE FOR DECADES
Australia had not been better placed for sustained economic growth for many decades, the Treasurer, Mr Willis, said yesterday as new figures showed record levels of company profits and consumer optimism. (The Australian 20.5.94)

ECONOMY — IT DOESN'T GET MUCH BETTER THAN THIS
After a mixed economic report card for the previous term, yesterday’s June quarter national accounts show that Australia is enjoying a straight-As recovery. (AFR 1.9.94)

BUOYANT ECONOMY BEST SINCE LATE 80s
Surging business confidence, investment and jobs coupled with a sharp lift in export commodity prices have created the most positive outlook for the Australian economy since the late 80s. (The Australian 26.9.94)
UP, UP AND AWAY

GROWTH SURGE TO A 5-YEAR HIGH
Manufacturers are predicting their strongest December quarter for five years, and expect strong employment growth to create another 6,000 jobs over the next 12 months. (AFR 10.10.94)

INDUSTRY ON ROLL AS BUSINESS PICKS UP
Continuous improvement in business activity is driving employment growth and stronger investment confidence as industry cranks up to its best production result since the 1980s ... (AFR 14.10.94)

CAUTIONARY TALE WAGGING THE FINGER, BOOM! BOOM!
It is the economic equivalent of dangerous driving. The Australian economy is now clearly exceeding the speed limit. (AFR 1.12.94)

TREASURER VOWS: NO SECOND RECESSION
The Federal Government promised yesterday to temper further interest rate rises and limit tax increases to ensure the economy did not lapse back into recession. (The Australian 7.12.94)

MARKET RATE JITTERS
The Prime Minister has conceded that the economy is growing “a little too fast” ... (AFR 8.12.94)

WILL BOOM LEAD TO BUST?
The economy is growing rapidly. So far inflation has not reared its head. But there are some danger signals: imports are booming and wages pressures are building. (The Australian 17.12.94)

RATE RISES THE ‘WRONG WAY’ TO COOL ECONOMY
The economy is decelerating from the rapid growth of last year, but mounting pressure on the nation’s weak trade performance demands tougher action to reduce the Budget deficit. (The Australian 25.1.95)

CONFIDENCE CRUMBLES
Business confidence in the economy has fallen sharply in the face of growing wage pressures and the Reserve Bank’s interest rate rises, according to three key surveys released yesterday. (AFR 25.1.95)

HERE WE GO AGAIN
The last time Australia’s current-account deficit soared to around 6 per cent of national output, Paul Keating uttered his notorious warning about a banana republic. That was in 1986, when an uncontrolled boom was destined to implode into a savage recession. Here we go again, with a current-account deficit racing towards $26 billion by the end of this financial year, or 5.75 per cent of national output. (The Age 2.2.95)

INVESTORS FEAR WAGES BOOM, INFLATION AS RESULT OF GROWTH
The consequences of economic growth, rather than the recession, are now constraining investor confidence, pointing to the potential for a prices and wages breakout. (The Australian 6.2.95)

merely accepting the latest ministerial handout or ‘guidance’ from the ministerial minders. The prevailing impressionism thus leads naturally to an exaggeration of the importance of the short-term and the superficial. What matters most are today’s figures or statement from the Prime Minister or the Treasurer, not how they fit in (or fail to fit in) with a more detached analytical framework.

- Reinforcing the second phenomenon, but conceptually distinct from it, is the clearly marked receptiveness on the part of so many of the journalists concerned — particularly those in the Canberra Press Gallery — to the Keating Government’s good-news glad-handing. This results both in moderate progress coming to be portrayed triumphally, while the occasional inevitable set-back produces, at least for a time, a kind of mood-swing to disaster.

THE BACKGROUND: During most of 1994 the Australian economy really was growing quite fast; business investment was rising even faster, jobs growth was proceeding rapidly, and unemployment, though still depressingly high, was gradually declining. Moreover, throughout most of the year this was happening against a background of general confidence that the world economy was steadily swinging up out of its previous pronounced slow-down, and would continue to do so into 1995 and beyond.

So far, therefore, the prevalence of Polyanna in the stories being written by Australian journalists (and the headlines they gave rise to), while possibly naive, might have seemed not altogether unjustified.

Whether one agrees with that or not, it is much harder to acquit the journalists concerned of failing to take sufficient note of the warning signals which, from early 1994 onwards, had begun to flash.
After all, the first move by the US Federal Reserve to raise US short-term interest rates occurred as early as February 1994; from that moment onwards, it was clear to more detached Australian observers that our interest rates also would have to rise — a view which, moreover, quickly found expression in our long-term bond markets, where yields on 10-year bonds quickly blew out from 6.35 per cent at end-January 1994 to 9.65 per cent by end-June.

Space precludes a fuller analysis. Suffice to say that, while the journalistic portrayal of the period was not — particularly to begin with — without economic pegs on which to hang it, what was seriously lacking (and increasingly so as the period wore on) was any sense of cooler analysis, as distinct from a shallow and day-to-day impressionism. Which brings me to my second point.

IMPRESSIONISM: With a relatively few exceptions (eg Maximilian Walsh, P.P. McGuinness, Alan Wood — all of whom, incidentally, work outside Canberra), it is hard to think of journalists writing in our press today who command both the technical abilities and the personal integrity required to enable them to stand back from the ‘received wisdom’ of the National Press Gallery and strike a ‘line’ of their own. In past years, when people such as those exceptions were operating in the Gallery, they tended to become the so-called ‘herd leaders’. Today, the Gallery seems to have no ‘herd leaders’, merely the herd; and a herd, moreover, of predominantly Left-inclined political predilections.

KEATING ACOYTES: In the past month or two, several stories have appeared — for example, that of 7 August 1995 by The Sydney Morning Herald’s Margot Kingston — suggesting that, after a long period of adulation by Canberra journalists towards Paul Keating both as Treasurer and Prime Minister, the twain have now become estranged, and that “the divorce appears final”.

**NUMBER OF JOBLESS MAY GROW BEFORE POLL**

The jobs recovery is set for a sharp slowdown later this year, raising the prospect that unemployment could start rising again in the run-up to the next federal election. (The Age 9.2.95)

**WAGE PRESSURES BUILD AS JOBLESS RATE CLIMBS TO 9PC**

Clear signs of wage pressures have begun to emerge, with figures yesterday showing average earnings rose 4.2 per cent in the year to November, as unemployment in January crept back up to 9 per cent despite continuing growth in jobs. (The Australian 10.2.95)

**WAGE DEALS POSE THREAT TO CANBERRA’S BALANCING ACT**

Developments on the wages front this week highlight the increasingly tricky economic policy environment with which the Government will have to contend this year as it deals with pressures on inflation and the current account and a slowing economy. (AFR 17.2.95)

**ACT NOW TO LIFT RATES, CUT DEFICIT**

Mr Keating is playing a dangerous game. Publicly committing his government to a high-growth strategy, while at the same time combining this with claims that another rate rise is unlikely, he has increased the risk that the world’s already nervous financial markets will pass harsh judgment on Australia. (AFR 22.3.95)

**INTEREST RATE RISES STILL ON CARDS DESPITE SLOWING GDP GROWTH**

The market and official reaction to yesterday’s national accounts was one of triumph. However, it is too soon to call a parade: the underlying local growth picture remains strong enough to suggest interest rate tension will persist through the coming year. (The Weekend Australian 1.4.95)

**UNEMPLOYMENT FALLS TO LOWEST IN FOUR YEARS**

The nation’s unemployment rate fell to 8.7 per cent in March, its lowest level in four years, figures out yesterday show. (The Australian 7.4.95)

**NO FEAR OF RATES RISE: WILLIS**

The Federal Treasurer, Mr Willis, yesterday played down the prospect of another increase in interest rates despite inflation jumping to its highest level in four years. (The Age 28.4.95)

**ECONOMY BACK IN CONTROL: PM**

The Prime Minister, Mr Keating, has seized the credit for recent falls in bond market interest rates, and all but ruled out any further rise in official short-term rates in the wake of the Budget. (AFR 18.5.95)

**STAGE SET FOR EARLY ELECTION**

To describe the latest National Accounts as a “beautiful set of numbers” would be going too far, even for the Prime Minister, Mr Keating. Yet while yesterday’s growth figures don’t deserve this sort of accolade, there is no doubt they are good news for the Federal Government. (AFR 1.6.95)
ECONOMY MAKES A SOFT LANDING
Australia’s economic growth has subsided to a sustainable pace, giving the Federal Government its much sought-after soft landing. (AFR 1.6.95)

SLIDE REVEALS ‘ROCKIER PHASE’
Business profits and forward orders fell away unexpectedly sharply in the June quarter, according to a National Australia Bank survey — underpinning the weakest business conditions since 1993. (AFR 17.7.95)

ECONOMY TO SLOW SHARPLY: SURVEY
Another business survey has pointed to a sharp slowdown in the Australian economy and a possible upswing in inflation, with corporate confidence down to its lowest level in more than two-and-a-half years. (The Age 22.7.95)

WILLIS PLAYS DOWN RATES FEAR
The Treasurer, Mr Willis, sought to play down fears of higher interest rates yesterday after news that Australia’s annual inflation rate had jumped above 4 per cent for the first time in more than four years. (The Age 27.7.95)

UNEMPLOYMENT RATE FALLS TO FIVE-YEAR LOW
The trend improvement in the labour market continued last month, taking unemployment to its lowest rate in five-and-a-half years. (The Australian 11.8.95)

LABOR URGES KEATING TO ACCOUNT FOR DEFICIT
Paul Keating is coming under increasing pressure from within senior Labor ranks to provide a politically credible and saleable explanation of the current account deficit, which is now being seen as part of the bedrock community angst underpinning the socalled “voteless recovery”. (The Australian 14.8.95)

DEFICIT DAMPENS CONFIDENCE
Concern at the current account deficit appears to be keeping a lid on consumer confidence, despite recent strong jobs growth, while ‘upstream’ inflation figures released yesterday suggest price pressures are continuing to swell. (AFR 17.8.95)

ECONOMY GROWS, DEBT SURGES
Labor is ready to fight the coming Federal election on the battleground of the economy, in the wake of figures showing another three months of steady, sustainable growth. (AFR 30.8.95)

ACCOUNTS CONFIRM WILLIS CLAIM ON SAFE GROWTH
Yesterday’s national accounts confirm it: Australia is enjoying sustainable, low inflation growth. (The Australian 30.8.95)

As to that, we shall see; but what certainly can be said — and Kingston’s article is merely further evidence of it — is that, at least until recently, most Gallery journalists clearly were unduly receptive to the Labor government’s point of view about economic (and indeed, any other) developments.

This is not an original observation. Dr Gerard Henderson’s striking description of the ‘rat pack’ (IPA Review, August-October 1987) fingered this among other characteristics of the Gallery almost a decade ago. Derek Parker’s splendidly courageous work, The Courtesans, subsequently provided much more detailed chapter and verse on the same topic.

Deplore it though we may, we should not therefore be surprised when, at the first whiff of economic recovery, we begin to see such headlines as “Economy in best shape for decades”. The question is not whether (most) Gallery journalists will (usually) utter such paeans of praise, but just what weight of evidence to the contrary will be required to have them cease doing so. Perhaps the next six months may show.

John Stone, until recently a Senior Fellow at the IPA, writes a column for the Australian Financial Review and is a regular panellist on Channel Ten’s The Last Shout.

1. So far as the headline writers themselves are concerned, of course, they were doing no more than seeking to reflect the views of the journalists writing the stories in question.
At Melbourne University the film *Mad Max* is being studied in first-year English. *Crocodile Dundee* and *Strictly Ballroom* appear in Level II Australian Cultural Studies at Adelaide. Hardly representing the high intellectual attainments of the Australian film business, they reflect the confused state of much Australian tertiary Arts education — as well as the unavailability of *Priscilla* when these courses were being sewn together. The stupefying of the young isn't something that only happens in loony American west-coast academies.

The things those urbane academics, the owners of those irritating voices who hog Radio National, do for their salaries are fascinating. The university handbooks, the stubby best-sellers which puff courses and tout for customers using the language of Australia Council press releases, tell part of the horror story.

Warning: This nonsense comes with the imprimatur of the universities involved for, as the University of NSW states in its handbook:

"Schools and faculties will monitor course content (including titles), teaching methods, assessment procedures, written material (including study guides, and handbook and Calendar entries) and audio-visual material to ensure that they are not discriminatory or offensive and that they encourage and facilitate full participation in education by disadvantaged people."

Shake a modern BA and these are the sort of subjects which will fall out: Women in the Modern World; Gender and Frontier; Sexuality and Power; Society and Desire; Gender and Work; Postures or People: Sexual Roles in the Classics; Deity and Mother Earth; Women and Science; Performing Bodies; and The Australian Male Author — Patrick White. Consider please, these sort of course offerings didn't just happen; they were conjured up by this country's best and brightest. It is on student performance in handling such stuff that degrees are awarded.

Griffith University is a typically true believer in Equity, has an anti-smoking policy, is against sexual harassment and for equal opportunity. Students may study Creative Advertising or get to grips with Literature and Colonialism: "... with particular attention

Paul Ross is a student at a Queensland university.

IPA Review Vol. 48/2, 1995
to questions of literary form, gender and ethnicity." If that’s too starchy then more relaxed is the course on Politics and Fiction, which "... includes a research essay and a take-home examination." Remember when Australians used to snigger at McDonald’s Hamburger University? Of even more substance is Class Power and Society: "drawing on theories of class, deviance and the family this subject focuses on relations of class power in Australia and the world; crimes of the powerful and the powerless and the position of women."

"Feminism" and inverted commas are much used by the tenured bubble-heads. "Lesbian feminist criticism; gender and narrative; and feminism and psychoanalysis", comes from La Trobe. Several Sydney courses seem designed for the career-minded: Feminist Theology may open doors with the ABC’s Compass production team, or Gender in Australian History a tertiary tutoring vacancy.

The Body in History is up for grabs at Queensland which also does an interesting history course, Celebration or Plague? Sex and Sexuality. This studies the "dynamics of sex, sexuality and gender in Europe and America over the past 500 years, applying this understanding [sic] to Mardi Gras, AIDS, and modern concepts of sexuality." If students feel the need of a frock to go with that the Department of Art History does have a course on Dress: Historical and Cultural Perspectives: "The garment as cult object, revival and definition of fashion, ritual clothing, subculture dress and interpretation of dress in works of art." Queensland, in the "me too" world of higher education, also has a "policy statement on equal opportunity and affirmative action".

**RIGHTFUL:** La Trobe’s offerings in Cinema Studies may have more appalling appeal. Consider "narrativity and masculinity" or "the different faces of the monstrous-feminine; horror and the aesthetics of fright". The "feminist critique of auteurism" is especially wonderful; particularly as Alfred Hitchcock has been chosen for special study. No wonder satire is dead, it couldn’t compete with this stuff. If traditional courses appeal then Archaeology could be well worth avoiding: "... in the 19th century archaeologists broadened their horizons; some in search of booty with which to stock the new museums of industrial Europe." The use of the word "booty" sets off warning signals for what you would get with that one.

There are some particularly gross courses offered by Melbourne University. Making up for its atrocious and politically-incorrect past ("women were excluded from University studies until the late 1870s", the Handbook tells potential clients) the first-year English objectives of Writing and Culture in Australia include, "an understanding of the roles of gender, class, ethnicity and race, both in processes of reading and in Australian culture, historically and currently." This is the already mentioned course which uses a collection of Australian mystery stories and the film Mad Max. It may be crap but at least it’s Australian crap! Also hanging off the wall in the English Department is From Rock to Rap: Cultural Formations. The objectives of this little darling are to "understand the broad relation between governments and rock music culture, as it has developed lately, particularly in Australia."

Another Melbourne course, Victorian Texts, has the objective: "an understanding of and ability to theorise issues of sexuality, class, imperialism and labour as they occur in Victorian texts of various kinds." The books for this epic of sickly revelation include Lady Audley’s Secret, Bleak House, Kim and Jane Eyre. Poor Mr Kipling. He’s suffered intellectual disdain, been lately Disneyized and now Melbourne English Department is out (they think) to finish him off. Without even leaving the English department you could indulge in Que(e)rries: Lesbian and Gay Theory: "rereadings of canonical literature and the homoerotic address of the fashion industry." Did Yves Saint Laurent write a book?

The Cultural Studies Department at Melbourne must be an amusing sort of place to hang out. Feminist Cultural Studies: Let’s Go Shopping is an especially witty title. However, it’s horribly typical course objectives are correctly serious as it seeks to make students "aware of the interdependence of sites of cultural production and practices of consumption." It makes the women’s business around Hindmarsh Island seem pretty tame. Whatever it is there can be no doubt that tenured white women can do it better, and louder.

Melbourne’s History Department, which someone understandably forgot to include in the table of contents, offers more of the same. Try Women’s Histories: East and West 1400-2000 with its "gendering of capitalist relations in Europe and the relevance of these issues to the development of colonialism" or Class, Gender and Revolution: France 1815-1919. Medieval Sexuality might be more fun.

Over at La Trobe the History Department is trying to put bums on seats with Modern Sport and Society: "Through sport we will look at issues
such as: nationalism, fascism, communism, race, class, gender and commerce." It could be that all this is just a hearty common room joke and a prize bottle of 'Bundy Rum' or a night with Leni Riefenstahl are being offered for the silliest course description. Imagine being at a party: "What do you do for a living Cyril/Beatrice?" "Oh, I teach sport and fascism." "You're kidding!" For this is really prize winning silliness. Pseud's Corner was never as dotty as this stuff.

GENDERED AGAIN: Tasmania too is well represented in the guidebooks to idiocy. The Classics Department, a surprisingly civilized name which a committee must surely be planning to change, offers Gender in Greek and Roman Literature. The mutilating gaze is to be directed towards Homer, Euripides, Plato, Terence, Catullus and Ovid. How awful to make your acquaintance with these authors through this sort of nonsense. The plan of attack is depressingly familiar to any reluctant reader of the handbooks:

"Produced by two overwhelmingly patriarchal societies, the literatures of Greece and Rome present different constructions of gender, different from each other and different from our own. This unit will examine such issues as the representation of male and female, sexual politics and the nature of desire in a number of works of ancient literature."

WORSE: The problem for students is to choose a reasonable subject and avoid the barking mad on the staff. How to negotiate a path to a BA without the nonsense courses is serious business for, if the above was the bad news, the even worse news is that there is nothing much else available. The courses that advertise their silliness are the bit of the iceberg you actually see. Other, quite interesting sounding courses, are still likely to be infected. Only when the course is being given are the PC rules for writing essays, the 'gendering', the post-modernist approaches or the brand of history being sold, revealed. Foucault lurks in the most unexpected places.

Continuity and Revolution in British History is a course offered at James Cook. Covering the period 1530-1851 the handbook promises, reasonably, that "particular attention will be paid to the formation of the British state, the emergence of state agencies and the peculiarities of British literature and the arts." But the readings for the first student tutorial include the following:

"The phallus ... that veiled and elusive signifier which is at once fully present but unattainable, and which gains its power through the promise it holds out but never entirely fulfils."

And the lectures cover topics such as: 'Facts and Weird Fictions: Witchcraft in Seventeenth-Century England and the American Colonies', 'The Cultural Meanings of Science and Moral Philosophy', and 'From Culross Field to Myall Creek: British Ideas of Social Progress, Ethnography and Race in the Metropolitan and Colonial Contexts'. Recommended texts are by the Marxists Christopher Hill and E.P. Thompson and the trendy social historian Roy Porter. If there was a code to crack in the handbook outline it's not clear what it was.

Sociology Departments are simply too horrible to contemplate, as seen in a brief glance at Monash. It offers the usual mishmash of courses along the lines of Women and Social Control, the dreary Marx and wrong-headed books on class by R.W. Connell ('Bob' to all the tutors). The handbook also shows a surprising number of lecturers setting their own books for student purchase. The royalties must come in handy to fill our academic salaries. It must be a lot easier to get published if you can guarantee sales.

The course descriptions in the handbooks don't tell prospective students whether political correctness is enforced or even give much indication of what is being studied. They also don't include quite important information such as a warning that the lecturer in modern languages pauses in grammar exercises to present her opinions on the awfulness of men and her trite views on woman, the goddess and life; or that the lecturer in religion is a god-hating atheist; or that the textbooks used put sic, in square brackets, whenever the words 'he' or 'his' are mentioned.

It took Stalin to impose Lysenkoism on the Soviet Union; our academics have done this all by themselves. The minority of decent Arts lecturers is mostly hiding below an intolerant crust of political correctness and departmental politics. Conservative students on campus are subversive, disspirited and presently lonely. As the 'dumbing' of the elite continues the classics have been driven underground and many of the best students are either miming acceptance of the drivell and longing to escape or are being driven away by authoritarian departments. But, at least we know what the intelligentsia of the next generation will have in their heads and, just as depressingly, who put it there.
He's using the same lubricants you can buy at any Shell service station.

When 1994 Bathurst winners Dick Johnson and racing partner John Bowe take on the mountain this year, their Falcon's engine will be lubricated with Shell Helix. And when Dick drives his family car, he also uses Shell Helix. The same Shell Helix you can buy at any Shell service station. So if you want the same protection, and relief from engine stress that Dick Johnson demands, use the engine lubricant he uses. Shell Helix. And go well with Shell.

GO WELL GO SHELL
The New CENTRAL EUROPE

EUROPE HAS A NEW DIVIDING LINE AND ON WHICH SIDE OF IT A COUNTRY FALLS WILL GREATLY INFLUENCE ITS FUTURE.

The turbulence surrounding the collapse of communism in Eastern Europe has subsided, revealing the outlines of a new status quo. An identifiable line now divides Central from Eastern Europe. Some countries have decided to face to the east and the old communist states, others to face to the west and the European Union.

The eastern-oriented states are run by dinosaur demagogues like Iliescu, Milosevic and Karadzic, 'reform' communists who have opportunistically embraced nationalism. They rule from above, which suits a populace used to having decisions made for it, and they have chosen to prop up their padded bureaucracies and state-controlled businesses.

Countries on the western side of the line have, under very difficult conditions, moved towards free speech, diversity of parties, and market-style, private enterprise economies. These countries encourage small business and community organizations to form a civil society, whereas in the east there exist few intermediate organizations to form a cushion between citizen and state.

A striking anomaly is that Slovakia has got itself on the wrong side of the line. Slovak nationalist politicians split their country from the Czechs in 1992, claiming they were being dominated by Prague. Since then Slovak Prime Minister Meciar has halted economic reforms and faced his country east. A united Czechoslovak nation of 17 million people would have trouble competing with strong EU economies, but for five million Slovaks to go it alone, with a rural economy and a small industrial base, was a triumph of nationalist rhetoric over economic sense. But Slovakia may eventually reorient itself to join the EU.

A new entity, Central Europe, has now formed. It comprises five nations: Poland, the Czech Republic, Hungary, Austria and Slovenia (from the former Yugoslavia). After 1945 these were (with the exception of Austria) forcibly incorporated into Eastern Europe, so...
that for five decades there was no Central Europe. Now it has reappeared.

Historically, the peoples of Central Europe believe that "trouble comes from the east". Metternich's saying that the Orient starts east of Vienna is often quoted. They still have in their consciousness the memory and fear of the Tartar and Ottoman invasions. The 'East' to them means barbarism, serfs, autocratic rule and lack of civilization. This demonizing of 'Easterners' has become a self-fulfilling prophecy, since recent events, like the Yugoslav and other civil wars, have unfortunately seemed to confirm it. The word 'Easterners' today has become a blanket term of condemnation.

THREE POWER BLOCKS: Central Europe feels the magnetic pull of three power blocs — the Russians, the Western Europeans and the United States.

The attraction to Russia, now waning, was not just communism but, more deeply, Slavic brotherhood. The Czechoslovaks viewed themselves as Western Slavs pointing a long finger into Germanic territories. The Czechs are now attempting to forget they are Slavs — being Slavic has become unfashionable, as is anything Eastern. Instead, they emphasize their remote Celtic origins.

America's attraction is life-style: jeans, McDonald's, jazz and rock music, films and freedom. But what the Central Europeans — particularly the young — are embracing is not Americanism per se but a long-withheld modernity.

Neighbouring Central Europe is the economic giant Germany. These were always lands with a German merchant middle class: the Sudeten Germans, who precipitated World War II, are now staking claims to their repossessed lands. In Prague, the processed foods you find on your breakfast table are German and Austrian. Three Czech national icons (Skoda Cars, Becherovka liqueur and the main Prague daily paper) were recently taken over by German companies, which Czechs see as a depressing omen. In many of these countries the Germans were the first to take advantage of the collapse of the communist economies, doing so before the locals could get on their feet economically. The Germans had the business expertise, the marketing skills, the capital, the products and the outlets, like supermarkets, so it is hard for homegrown businesses now to find a footing. The Czechs, for example, were very advanced technically in 1948, but they fell behind during the following four crucial decades when computers, advanced marketing techniques and laser and microchip technologies came in. And work habits are still slack after decades of inefficiency. At Melnik near Prague, the restored owners of a vineyard had to employ armed guards during the grape-picking season, else much of the harvest would have been pilfered.

Today, with moderate privatization and a coupon system which enables citizens to obtain equity in companies, the Czech economy is working comparatively well. But a media-academic alliance, imitating the Western adversary culture, is trying to split the partnership of the two Vaclavs, Prime Minister Klaus and President Havel, by depicting the former as an arrogant economic rationalist and the latter as an ethical figure who disdains Klaus's platform. The disagreement does not exist. When in Australia Havel reaffirmed his "respect for private ownership of property and the rules of market economy" and added, "I unreservedly subscribe to this system of values, and so does the Czech Republic." These publicists are wrongly using Havel's prestige to try to destroy the only unequivocally non-communist government left in the former communist countries.

In the Czech Republic and other countries, 'reform' communists, who were the old elite, are now taking over some recently privatized assets in conjunction with shady businessmen. Ordinary citizens naturally resent seeing the formation of a new elite which will be powerful for many decades to come. The media give attention to these undoubted scandals. But this is not the full picture: we aren't told of the small businesses and intermediate organizations which are burgeoning out of public sight. Emphasis on the scandals causes old envies to emerge and stops confidence in the new economy. It undermines further the already-weak confidence in politicians.

DISABLING DEPENDENCE: Why have 'reform' communist governments so quickly succeeded anti-communist ones in many Central and Eastern European countries? In these countries the experiences of the past have destroyed any sense of society, and left people to follow only their own interests. People have been too dependent on politicians for everything in life. As a consequence, they blame politicians when the economy performs poorly. It is true that politicians were responsible for the poor economic performance under communism, but it is not true now. Today's energies need to be directed into rebuilding socio-economic structures from the bottom up, not complaining as in the past. Politicians have found it very difficult
to wean the citizenry off dependence on government. People want security and they blame the politicians for its absence, which increases the unpopularity and weakens the authority of politicians. As in Australia, politicians who cut public servants and public institutions risk cutting their own vote, even though the reforms are economically sensible.

ECONOMIC DIFFERENTIALS:
The economies of the region are like a series of lochs: the value of a country’s currency drops abruptly at the borders, due to the seismic upheavals of the past decade. German wages buy ten times more in the Czech lands than in Germany. Tourists arrive in droves and leave Prague airport with trolley loads of Bohemian glass. The Czech economy is a transitional one based on tourism (70 million a year) and restoration of infrastructure. Even the East Germans—down at heel in appearance like the denizens of other ex-communist countries—are newly rich because they now wield German marks. Czechs shop cheaply over the border in Poland, and Slovaks in Ukraine. But the tourists have stopped going to Slovakia, Ukraine and other eastern destinations, which increases the economic imbalance.

Money is moving east, but people are moving west. Floods of refugees and unemployed people from the destitute economies of the east relentlessly move west trying to get jobs in the better conditions of Central Europe—Yugoslavs, Ukrainians, Gypsies, Slovaks, Vietnamese guest-workers and people from the former Soviet Union. If they get, for example, Czech citizenship, they may automatically get the prized EU citizenship in a few years when the Czech Republic joins. It is shocking to see these people treated like cattle or serfs at police stations and railway stations, and at consulates. The British notion of internalized tolerance and respect for the rights of people as individuals hardly exists. The host nations are acting like Easterners to get rid of their Easterners.

ETHNIC TENSIONS: Relatively prosperous and stable, western Bohemia contrasts sharply with the eastern parts of Slovakia, which is the funnel through which many refugees move west. This is a region where the borders of Poland, Ukraine, Slovakia, Romania and Hungary meet. Because of border changes over many centuries, ethnic, religious, political, geographical and cultural allegiances here overlap and clash. The German and Jewish traders have gone, but four races remain: Slovaks, Hungarians, Ruthenian Ukrainians and Gypsies. A pecking order is clearly visible: the Slovaks are politically dominant, the Hungarians are now the urban traders, the Ruthenians are the rural poor and the Gypsies the urban poor. The Ruthenians were trapped in Slovakia and cut off from their compatriots in Ukraine by past border changes. They speak Ukrainian, are Uniate in religion—thus giving allegiance to Rome—but culturally are Slavic; they face Russia, yet are anti-communist: so they have faced opposition from all directions.

A common fallacy is that communism kept the lid on these ethnic tensions, but in fact the communists exacerbated old tensions and caused new ones by their cavalier mistreatment of whole peoples. The price is now being paid, since it is very hard to achieve economic improvement under such conditions.

There is no precedent for the present conjunction of factors, and we don’t know what will eventuate. A new, enlightened, economic self-interest may prevail, or new breakdowns may overtake the region. In any case the present generation of people between 30 and 60 will have to sacrifice themselves for the next one to prosper.
Advocates of small government have to learn to become as familiar with terms like neighbourhood, voluntarism and mutual aid as they are with terms such as tax cuts and micro-economic reform.

Between individual and state

For those trying to understand the 'quiet anger' and political alienation in contemporary Australia, Sir Keith Hancock's *Australia* (Jacaranda, 1930, reprinted 1961) is still our best starting point.

For many years, Hancock's little book was widely used in Australian schools, a purpose forced upon it, in large part, by the shortage of quality school texts dealing with Australian history. Unfortunately, this usage largely obscured the central theme of the book: the peculiarity of our indigenous statism.

Australia was a nation, Hancock argued, whose prevailing ideology was "the appeal to Government as the instrument of self-realization." The course of our history had run as follows: the state, in Australia, had preceded civil society; a relatively early achievement of self-government and a democratic franchise had generated the belief that the state could be made an instrument of popular will and national development; extensive state enterprises and interventions in turn discounted the necessity for autonomous institutions and stifled the development of civil society; and a political culture had been formed where 'leaning upon the state' was seen as the natural means of individual and social advancement.

From our vantage point in the 1990s, Hancock's insights in 1930 resound with a bold prescience:

Vern Hughes is researching a Doctorate on Australian statism at the University of Melbourne. He is currently a Director of the Co-operative Federation of Victoria.
"Thus Australian democracy has come to look upon the State as a vast public utility, whose duty it is to provide the greatest happiness for the greatest number ... To the Australian, the State means collective power at the service of individualistic 'rights'. Therefore he sees no opposition between his individualism and his reliance upon Government."

But there was a twist. The faith in the state created expectations which could never be delivered.

"Every economic difficulty is generalized as a political issue, with the double result that it becomes more difficult to solve, and more exasperating when it remains unsolved. Exasperation"—that is the dominant note in the public life of the Australians, who are, in their private life, exceptionally good-natured and friendly. The Australians are perpetually exasperated because they perpetually pursue a quarry which they can never run to earth."

A successful anti-statist project in Australia must seek to reconstitute civil society with a rich and diverse associational life.

Hence, then, is the root of our cynicism:

"Government, being constantly overstrained, is constantly discredited. Almost everything is absorbed in politics; but almost everybody believes those knowing fellows who say that politics is a 'dirty business'. This is precisely the danger of credulous idealism, that its disillusioned victims console themselves with an equally credulous cynicism. Australian idealism has put too many of its eggs into the political basket."

SOCIAL VACUUM: It is very important, however, to be clear about why those eggs went into the political basket. Hancock identified in Australia an absence of wide-ranging intermediate associations between the individual and the state of the kind celebrated in Tocqueville's Democracy in America. It was this social vacuum between individual and state that generated the habit of 'leaning upon the state' and in turn restricted the development of a vigorous, free associational life.

"As for the industrial and commercial associations which exist in Australia", Hancock lamented, "they are the constant victims or beneficiaries of political manipulation." Local government, for its part, was weak and formed "no effective barrier between the isolated individual and the central power". Without a rich associational life "the political parties have almost a monopoly in the manufacture of public opinion."

Cut to Australia in 1993. The March Federal election result should occasion no surprise for those familiar with Hancock's insights. Faced with a choice between a continued leaning upon the state (Medicare, industrial awards, a still extensive welfare state) and a naked individualism, a majority of Australians, even in the midst of recession, preferred the devil they knew.

Hancock's insights suggest that critics of our statist tradition and advocates of limited government must develop a more sophisticated project than Hewsonian individualism. Indeed a successful anti-statist project in Australia must seek to reconstitute civil society with a rich and diverse associational life while simultaneously dismantling our inherited statist institutions and practices. One can't be done without the other.

This constituency will never be prized away from Labor's statism if it is confronted by Hewsonian individualism as its sole alternative.

Hancock's insights should also assist our understanding of the divergences between Australian and American political culture in the 1990s. Alexis de Tocqueville's portrait of American democracy stood as a landmark in Hancock's intellectual outlook. In an address to the IPA conference 'A Stitch in Time: Repairing the Social Fabric' in March 1995, Dr Michael Joyce, President of the American Bradley Foundation, began his account of the current Republican revolution in the United States by going back to Tocqueville. American civic life flourished in the 19th century on the basis of limited government, and a self-governing associational culture gave individuals faith in their own capacities and talents. 'Values' concerning individual endeavour and personal responsibility grew out of this sustaining culture.

In Australia, the political currency of such values has been historically weaker because of the correspondingly weaker culture of self-government. An Australian anti-statist project which seeks simply to import such values without creating a civic culture which can sustain them and give them reality, will not succeed.

PROSPECTS: What are the prospects, then, for tackling the culture of Australian statism?
Four preliminary observations might be made.

First, Australian history is not without a significant and honourable stream of associational endeavour ranging from the early Mechanics Institutes and friendly societies, member-based libraries and adult education groups, agricultural co-operatives, bush nursing and hospital auxiliaries, to credit unions in the 1950s, country fire fighting agencies and diverse women's associations, to health-related self-help groups and elements of the post-1960s alternative movements.

What is conspicuous about this history, however, is the retardation and, often, demise, which followed the initial grass-roots activity. Friendly societies lost their vigour and direction with the advent of state-run health insurance schemes. Autonomous schools based on specific value-systems struggled with the advent of state systems, and won financial recognition only in the 1960s. Private benevolent societies barely survived the first three decades of state welfare measures. Credit unions have largely lost their sense of mutuality and raison d'être. Service auxiliaries and service clubs now face critical generational crises.

With few exceptions, the associational endeavour which runs through our history has accepted the primacy of the categories of state and individual in public discourse and not understood the necessity to challenge this dominance.

A second observation flows from the first. Organized liberal/conservative political movements in Australia have reflected the wider culture's preoccupation with categories of individual and state, and inherited its neglect of intermediate associations, both in theory and in strategy.

In short, political forces which seek to reduce further the role of government in Australia have to learn now to become as familiar with terms like neighbourhood, voluntarism and mutual aid as they are with terms such as tax cuts and micro-economic reform.

Thirdly, there is, in the 1990s, a strong but highly ill-defined sentiment which favours notions of 'community' and 'locality', but which, in the absence of organized effort to construct a sophisticated associational culture, will be appropriated increasingly by anti-globalization sentiment, in either its 'green' or 'Old Labor' or 'new protectionist' forms.

And fourthly, the social constituency which holds the key to shifting the statist culture in Australia remains the socially conservative 'blue-collar' working class. One can say with utter certainty that this constituency will never be prised away from Labor's statist if it is confronted by Hewsonian individualism as its sole alternative.

In industrial relations, anti-statists should emphasize employee share-ownership programs and diverse forms of employee financial participation in firms. They should encourage the formation of employee associations which retain some aspects of the ancient guild function (provision of knowledge and information relating to profession and skill) while retaining aspects of the member-benefits function of trade unions, augmented by financial services and some of the financial security functions exercised by the old friendly societies. Reformers should actively embrace the empowerment of employees through free and voluntary associationalism of this kind.

In welfare reform, anti-statists should facilitate the development of sophisticated non-government associations, based on existing voluntary, church or member-based organizations, to exercise many of the welfare functions now assumed by the state. The emphasis should be placed upon the creation of organic social bonds between individuals in need and their society through voluntary association.

In the privatization of utilities, reformers should emphasize the opportunities for group purchasing associations to utilize the benefits of competition for their members. The Victorian Government's program in relation to electricity competition allows for such associational input, but this has hardly been mentioned in its hitherto poor attempts to win popular support for the program.

In education, reformers should seek an acceleration of the processes of devolution of power to school councils and parents, with the objective of a single sector of autonomous self-governing schools, thus eliminating, over time, the socially divisive public/private divide.

In health, anti-statists should review the fascinating history of Australia's friendly societies, and explore contemporary and organizational models which embody their initial principles of independent self-provision and mutual aid, consumer ownership, and communal reward for good health maintenance.

David Green and Lawrence Cromwell's Mutual Aid or Welfare State? Australia's Friendly Societies (Allen and Unwin, 1984) provides an excellent starting point for this exercise. It also provides a valuable insight into the making and remaking of the statist culture in our country, and honours some of those who have sought to resist its crude embrace.
Health and Welfare without the State

Manchester Unity Friendly Society

From its formation in Sydney in 1840, Manchester Unity remained a self-governing voluntary association for more than a century. Through pooling their resources, members were able to provide for themselves sickness and funeral benefits, medical and pharmacy services, and emergency relief in times of hardship. By the eve of World War I, friendly societies dominated the provision of Australian welfare: their 400,000 members self-funded benefits for more than one million Australians, while fewer than 100,000 citizens received old-age or invalid pensions from the Commonwealth.

Manchester Unity’s decentralized structure was based on the fraternal Lodge. Each Lodge had autonomy in allocating benefits to members in need, and the allocation of benefits was accompanied by social support such as visitation of the sick. Lodges contracted with medical practitioners for the supply of medical services to members on the basis of an annual capitation fee.

In 1847, Manchester Unity established in Sydney a medical institute and dispensary, employing salaried doctors and a pharmacist, to provide services for a quarterly capitation fee of four shillings. By World War I, there were 10 medical institutes in Victoria, while United Friendly Society dispensaries were commonplace throughout the country. Voluntary community service was an integral part of the work of the Lodge. Libraries were established. Drought and fire relief was provided. The Society established a school in Adelaide in 1844, a first aid and life saving brigade in Sydney in 1908 and, in 1947, a small loans and savings society.

For five decades from the turn of the century, this associational culture was unremittingly assailed by enthusiasts for state-run insurance and health schemes. The 1953 National Health Act effectively settled the issue, transforming friendly societies into health insurance funds whose enrolled members took no part in organizational governance. Some of the lodges defiantly continued on, but without a functional raison d’être, their resolve dissipated.

Gone too was contract practice with the medical profession. The 1953 Act gave individual members the right to select their own doctor, with the state subsidising doctors’ fees. The friendly society culture was thus caught in a pincer movement between the demands for state intervention on the one hand, and the demands of the medical and pharmacy professions for fee-for-service systems on the other.

In 1945, one Queensland Manchester Unity member lamented the course of events in these terms: "It is a matter of very serious importance that the tendency today is to look to the State to do things for us that we should be doing ourselves ... We maintain that while the State can effect this total insurance it cannot make free, independent and self-reliant citizens by that means. It may build up the machinery, but it cannot give it a soul."

The Mutual Benefit Society of Melbourne Tramway Employees

In 1888, Melbourne tramway employees formed a mutual benefit society to provide sickness and funeral benefits. Associations of employees for mutual benefit had first formed in Australia in the 1830s, preceding trade unions: by World War I, working-class participation in benefit societies exceeded that in trade unions by a large margin.

In 1932 the Society opened a small outpatient hospital in Swanston Street for its members, providing dental, medical and ancillary health services. In 1949, it acquired Vimy House, an inpatient hospital.

In structure, the Society was based upon delegates from workplace depots and its activities were highly dependent upon voluntary effort.

Today, the Society operates Vimy House Private Hospital and dental and physiotherapy clinics, as well as providing financial and insurance services. Its delegate structure and democratic governance, however, have since lapsed.

Yeoval Community Hospital Co-operative Ltd

As in many small country towns, the people of Yeoval in the central west of New South Wales faced the prospect, in 1989, of losing their local hospital. Rather than stand idly, the community formed a co-operative society to take over the hospital and keep its doors open.

Yeoval Hospital is now a mutually-owned private hospital serving community needs. Its co-operative structure is one which allows for the high level of voluntary community effort required to keep it functioning.
To discover how some of our best-known voluntary associations are faring in Australia, IPA Review surveyed a sample, ranging from the long-established to the new. Profiles of 13 are published below and the trends are interpreted in the Editor’s column on page 5.

THE COUNTRY WOMEN’S ASSOCIATION OF AUSTRALIA:
Inspired by the establishment of Women’s Institutes in Canada and Britain, the first CWA was formed in Australia in 1922; the national body came into existence in 1945. The CWA is a non-sectarian, non-political association whose object is to improve the conditions and welfare of women and children in rural and remote areas. In fulfilment of this aim it has organized classes in first aid, home nursing and handicrafts; it has provided rest rooms, rest homes and baby health centres; it has run travelling library services and hospital visiting programs; it has provided emergency housekeeper schemes and encouraged the formation of music and drama groups in country areas. The national body also has a role in making submissions to the Federal government on behalf of the six State and Territory Associations. In 1954 the CWA had approximately 110,000 members; today there are 48,000.

SCOUTS AND GUIDES:
According to the principles of the scouting movement, Scouts “should serve God, act in consideration of the needs of others and develop and use their abilities to the betterment of themselves and their families, and the community in which they live.” In summary: “Duty to God, Duty to Others and Duty to Self.” Notions of resilience, healthy lifestyle, spiritual growth and responsible citizenship are central to both the Scouts and the Girl Guides. Their programs involve both practical and moral education: a code of living is outlined in the Promise and Law. Both organizations are changing. The Scouts has for some years accepted girls and the Guides Association, after surveying members and non-members, have resolved to introduce significant changes to its program of activities for girls and young women. It would also like to increase its membership, which has declined by 12.5 per cent since 1990: from 89,543 to 78,383 last year. Scouting membership has fallen by 20 per cent since 1980: from 137,743 to 109,737 last year.

THE ANGLICAN CHURCH:
Between 1954 (when Anglicanism was Australia’s largest Christian denomination) and 1991 (the last census) the proportion of the Australian population identifying as Anglican fell from 38 per cent to 24 per cent. The same period has seen a ‘greying’ of the congregation and a substantial fall in church attendance. Opinions are divided over what is to blame. One school of thought blames the Church’s tardiness in updating its social attitudes, particularly towards feminism. Another argues that it has failed sufficiently to stand apart from the spirit of the time and so offer a genuine alternative to secular causes and institutions. Unlike with the Catholic Church, immigration has not cushioned Anglicanism against secularization (almost four in 10 of the additional number of Catholics between 1981 and 1991 were immigrants). But even among professing Catholics, only about 20 per cent attend mass regularly.

THE LIBERAL PARTY:
Liberal Party membership has fallen from almost 198,000 in 1950 to around 60,000 today. Put differently, 50 years ago one in ten Liberal voters was a party member; today only one in 65 is. Why has this happened? Some complain that the party gives members too little influence. Just as consumers in general are more demanding than they once were, so party members, it seems, want a greater say in the running of their party and in the policies it produces. Also, their role as campaigners has been diminished by the party’s increasing reliance on the mass media and on publicly-funded direct mail to disseminate its message. It may be, too, that the declining membership reflects a growing cynicism in the community about formal political processes and a loss of philosophical clarity in the Liberal Party: people are more inclined to join an organization if they know exactly what it stands for. The decline in membership has been temporarily reversed during periods in which tangible external threats to core Liberal values...
were recognized. The period of the Whitlam Government is the major example: between 1967 and 1975, national membership of the Liberal Party increased by 23,000.

In 1983, when Liberal membership represented only 3.5 per cent of Liberal voters, the Valder Report noted that membership of the National Party in New Zealand was 28.8 per cent of National voters. New Zealand’s voluntary voting system, which encourages political parties to involve people in their affairs, may help explain the marked difference.

FIRE BRIGADES:
All States have fire services which rely to a significant extent on volunteers. In Western Australia, the Fire Brigades Board maintains brigades in Perth and in large country centres, consisting of both career and volunteer firemen. Brigades consisting of volunteers alone service around 50 other Western Australian country towns. Victoria’s Country Fire Authority, which this year is celebrating its 50th anniversary, maintains 1,230 brigades, serviced by a fleet of over 2,000 fire engines and special rescue vehicles. Its funding comes from the State Government and insurance underwriters. In 1984, it had 107,000 volunteers and 706 paid staff; 10 years later paid staff had increased to 819 and volunteers fallen to 77,000.

TRADE UNIONS:
In 1976 51 per cent of Australian employees were unionized; by August last year this had declined to 35 per cent. Unionism, today, is less a working-class phenomenon than a public-sector phenomenon: 62 per cent of public-sector employees are unionized whereas only 26 per cent of private-sector employees are. The system of arbitration in Australia, the ‘No Ticket, No Start’ rule on many worksites and the deduction of union fees from the wages of government employees have all bolstered union membership beyond the level it would be if it were truly voluntary. The rate of decline of union membership since 1992 has been particularly steep, coinciding with the spread of enterprise bargaining and the creation through amalgamation of ‘super unions’, said by critics to leave individual members feeling powerless and remote from their leaders.

LIONS CLUBS:
Founded in Chicago in 1917 Lions Clubs today exist in over 180 countries and geographical locations, including Australia. Their aims include: to serve the community “without personal financial reward, and to encourage efficiency and promote high ethical standards in commerce, industry, professions, public works and private endeavours.” Its code of ethics includes:
- “to aid others by giving my sympathy to those in distress, my aid to the weak, and my substance to the needy”;
- “always bear in mind my obligations as a citizen to my nation, my state, and my community, and to give them my unswerving loyalty in word, act and deed. To give them freely of my time, labour and means”; and
- “to remember that in building up my business it is not necessary to tear down another’s; to be loyal to my clients and customers and true to myself”

As the last of these suggests, Lions traditionally have had a strong base among businessmen. In the last decade the national membership has declined from about 36,000 to about 34,000.

THE RETURNED & SERVICES LEAGUE:
The RSL’s origins lie with the formation of the Returned Sailors’ and Soldiers’ Imperial League of Australia in 1916, established to safeguard the interests of servicemen returning from active duty in World War I. Of its aims and objects, which have remained unchanged since its early years, the one to which the organization devotes most attention is: “to provide for the sick and wounded and needy among those who have served and their dependants including pensions, medical attention, homes and suitable employment.” Others include:
- “to preserve the memory and records of those who suffered and died for Australia”; and
- “to perpetuate the close ties of friendship created by mutual service in the Australian Defence Force or allied forces ... and to set an
example of public spirit and noble-hearted endeavour." The RSL's membership has been inevitably affected by the ageing and declining population of ex-servicemen. Five years ago national membership totalled 245,114; by the end of last year that had fallen to 232,524.

**AMATEUR FOOTBALL:**
The Victorian Amateur Football Association (VAFA) was founded in 1892 with the aim: "to provide a well-managed game of Australian football for the youth of the community at the cheapest possible cost." Last year the Association fielded a total of 189 teams and hosted the 20th Amateur Carnival involving teams from South Australia, Tasmania and Western Australia, as well as Victoria. The senior VAFA teams remain strong, but in recent years there has been a decline in the number of registered Under 19 players, from 2288 in 1991 to 1871 in 1994.

**FREEMASONRY:**
The broad aims of freemasonry are to practise universal charity, to provide opportunities for self-development, to cultivate brotherhood, to foster moral standards and to seek excellence in all pursuits. An example of the charitable work of freemasons is the establishment of the William Thompson Masonic Schools near Sydney in 1923, which cared for hundreds of children in cottage homes and provided them with schooling. Homes for the elderly, hospitals and benevolent funds (providing pensions for the aged, the widows of deceased masons and the permanently incapacitated) have also been established.

Freemasonry in Australia began soon after the arrival of the First Fleet; the first masonic lodge was formed in 1820. Growth was strong particularly in the years immediately after World War II: in 1955 national membership was around 330,000; in the intervening decades it has almost halved to around 175,000.

**NEIGHBOURHOOD WATCH:**
Established just over a decade ago, Neighbourhood Watch is a nationwide community-based program aimed at minimizing the incidence of theft and burglary. Victoria now has 1128 Neighbourhood Watch areas, involving 2.27 million people or 54 per cent of the State's population. Each area has a committee of volunteers to coordinate activities, liaise with police and residents, collect voluntary donations to cover the costs of street signs, engravers, the publication of a regular newsletter etc.

**THE MULTIPLE SCLEROSIS SOCIETY:**
A support group for individual sufferers, their carers and their families, Multiple Sclerosis societies exist around Australia. In Victoria, the MS Society was incorporated in 1972 as a non-profit company. It takes an active interest not only in the provision of quality services but also in research aimed at finding a cure for the disease. The Society reports an increasing willingness of volunteers, including among the young, to provide their time and services. In 1990, volunteers numbered 575 people; currently there are 1165. During the last financial year 1127 volunteers contributed 98,409 hours of their time, equivalent to over a million dollars.

**GREENPEACE:**
"Ecology teaches that humankind is not the center of life on the planet ... As we feel for ourselves, we must feel for all forms of life — the whales, the seals, the forests, the seas." So states, in part, Greenpeace's philosophy. Known for its environmental fundamentalism and its media-oriented campaigns against, for example, toxic waste, Greenpeace has established an effective presence in Australia in a relatively few years. It claims to have 90,000 Australian supporters. All its revenue is raised from private sources and one in three dollars that it collects is spent on further fundraising. It has an Activist Network consisting of around 550 volunteers who engage in various forms of lobbying and protest: writing to MPs, phoning talkback radio programs, distributing kits to schools, making banners or participating in protest actions. A further 100 volunteers give various amounts of their time to help run the Greenpeace office.
In our family, we don’t know the names of all our children.

But, with your help, one day we will.

Open Family estimates there are 5000 street kids in Australia. At present we are working with hundreds of them in Melbourne, Sydney, Brisbane, Canberra and Albury.

Open Family provides individual care and unconditional support to these children, “on the street”, 24 hours a day, seven days a week.

We don’t accept that street kids are an inevitable part of today’s society. We maintain the problem can be solved. But only by grassroots, common-sense methods which recognise these children as individuals, rather than as groups which need special government handouts and expensive welfare programs.

Studies have shown that each street kid costs the community an average of $80,000 each year through their involvement in the justice, health and welfare systems. In 1994/1995, the cost of an Open Family street worker providing individual support to the same street kid was just $3183.

Through nearly 20 years experience working on the street with these children, Open Family knows that every child has the chance to survive and prosper in society - despite their circumstances or history.

But they can’t make it on their own.

Open Family provides the support these children desperately need. But we need support, too.

If you would like to help Open Family meet the faces and learn the names behind the nation’s homeless children statistics, contact us on (03) 9699 5588, or write to our Chief Executive Officer, Nathan Stirling, at PO Box 1170, South Melbourne, Victoria, 3205.
Is multiculturalism a good or a bad thing? Is it the 'pride' of Australian democracy or is its very existence inimical to our democratic institutions? In a recent edition of IPA Review (Vol. 47/1, 1994) we are presented with a stark contrast of opinion on this and related issues. Austin Gough speaks of "the rise of tribal separatism in Australia" and of the Federal government’s determination "to divide the nation into ‘communities’ and to take less notice of individual rights than of group rights and group identities." He insists that the trend towards multiculturalism is inimical to the proper functioning of our democratic institutions. In contrast, Gregory Melleuish holds that the British or Westminster tradition of democracy made multiculturalism possible and viable in Australia and that it is the 'crowning glory', so to speak, of our British political tradition. Who is right?

In order to understand Gough's reasons for believing that a government-sponsored policy of multiculturalism threatens democracy, we need to take into account his admiration for Robert Putnam's *Making Democracy Work*. The latter looked at the new regional governments that were set up in Italy in 1970 and found that some of these new governments flourished while others withered. His explanation which, as he concedes, Alexis de Tocqueville would not have found in the least surprising, is as follows:

"Some regions of Italy have a rich network of community associations. Their citizens are engaged by public issues and take an active role in politics. They trust one another to act fairly and obey the law. Social and political networks here are organized horizontally, not hierarchically. In these ‘civic’ communities, democracy works. At the other pole are the ‘uncivic’ regions, where the very concept of citizenship is stunted. Engagement in social and cultural associations is meagre, and the social structure is hierarchical. Public affairs is someone else’s business, not mine. Laws are made to be broken, and people live in fear. Trapped by these vicious circles, nearly everyone feels exploited and unhappy and democracy fails." 3

Gough holds that Australian democracy, like the successful regional governments of Italy, is nourished by a network of freely formed civic associations and by a culture of civic engagement. Australians are willing to be involved in local councils, charities, school committees, volunteer fire brigades, service clubs, sporting clubs, cultural societies etc ... all of which foster a civic culture and serve as 'schools of democracy'. However, Gough is concerned that this crucial network of civic associations "may not be able to survive the rise of tribal separatism in Australia" 4 and the present tendency, engendered by multicultural and other government policies, for individuals to adopt an assertive, narrow, exclusive and 'separatist' identity as part of the Greek community, the Islamic community, the gay community, Brian Trainor is a Senior Lecturer in Humanities and Social Sciences at the Whyalla Campus of the University of South Australia.
A

LARMIST: Surely, however, talk of 'tribal separatism' is unduly alarmist and exaggerated. It is probably the case, as Gough points out, that the setting up and running of a suburban progress association is very difficult indeed where Croats and Serbs or Turks and Greeks distrust each other; but is there any evidence to suggest that second or third generation Greeks, Turks, Serbs and Croats are less likely than 'Anglo' Australians to be involved in the host of civic associations (service clubs, sporting clubs etc.) mentioned by Gough?

What the evidence of history, especially in the United States, does suggest is that where a government pursues a course of enforced or 'pressure-cooking' assimilation, it tends to have the opposite, unintended effect of producing alienated ethnic minorities and separate, inward looking 'tribes'. However, one would suppose — and there is certainly no evidence to suggest otherwise — that a sensible and benign assimilationist policy or a multicultural policy would allow migrants, irrespective of their ethnic background, to integrate 'naturally' into, and identify with, the host country. I would suggest that it is precisely such policies which have enabled each group of 'ethnic' Australians (Greek Australians, Italian Australians, etc.) to freely and spontaneously become an integral part of the socio-political whole known as 'Australia', each in its own unique way and through its own distinctive cultural 'prism'.

Gough, of course, is not alone in criticizing multiculturalism. Jerzy Zubrzycki, Emeritus Professor at the ANU and sometimes called the father
of Australian multiculturalism, has become concerned in recent years that at least one model or view of multiculturalism, which he calls the "sectional view", encourages "tribal resentment" and thereby poses a threat to social cohesion. His criticism of this sectional view of multiculturalism and of what he calls its "multiculturalist industry" is that ethnic groups in Australia are told, in blatant disregard of the facts, that "they have been systematically disadvantaged by a racist Australian society and are still victims in some ways of oppression." Fortunately, however, this sectional view seems to be entertained only by a curiously ill-formed band of academics, rather than by members of ethnic groups themselves. To my knowledge, there is simply no empirical data to suggest that the latter actually feel the kind of resentment which the entertainment of such a view would certainly engender.6

Zubrzycki, however, does offer a salutary reminder that government policy, based to some extent on this sectional view, may engender ethnic resentments where none existed before. He points out that Commonwealth and State grants to ethnic groups are justifiable "as a necessary, short-term measure of positive discrimination to refugee groups" but not in order to woo the ethnic vote in ways which encourage inter-ethnic rivalries, which emphasize "the things that divide us instead of the things that bind us together" and which lead thereby to a "grave distortion of the concept of multiculturalism for all Australians". 7

We should all — republicans and monarchists alike — acknowledge that the values of the British political tradition are of critical importance for our democracy.

R E A S S E E S S I N G A S S I M I L A T I O N: I wish to argue in support of multiculturalism: not, as is common, by contrasting it with the Bad Old Days of assimilation, but by showing that precisely the same values of tolerance, fair play, etc., underpinned both the earlier policy of 'assimilationism' and the later policy of 'multiculturalism' in Australia. We find, I maintain, that there is no steep gradient rising out of the 'low' ground of assimilation in the 1950s and 1960s onto the 'high' multicultural plateau of the 1970s and 1980s but that there is, rather, a gentle, ascending slope.

Despite the difficulty of providing a precise definition of the term 'assimilation', it is nevertheless possible to identify a range of viewpoints and attitudes, stretching from the belief that all immigrants should become wholly indistinguishable from the native members of the host society (barring physical permutations!) at one extreme, to the view that immigrants should be helped to adjust to the host country's economic and political system at the other, more commendable, extreme. The term 'assimilation' can thus be employed in a variety of related but distinct senses and it behaves us, when considering any particular instance of its usage by individuals or governmental instrumentalities, to endeavour to be as precise as possible in ascertaining its meaning.

If we look at the resolutions passed at the Australian Citizenship Conventions in the early 1950s, generally deemed to be the high tide of Anglo-conformism, 8 we will be hard pressed to find examples — or at least, fairly clear-cut and unambiguous examples — of the more sinister sense of assimilation. Certainly, we find that several resolutions stress the need to tackle and overcome problems of assimilation as quickly as possible, but if we look to the addresses of the then Minister for Immigration, Mr H.E. Holt, we find him insisting that assimilation is a two-way process, that Australians "must prove to be good neighbours" and that they (the native born) must be judged "by the manner in which we take them into community life, and by the greater happiness we give them". 9 Similarly, if we look more specifically at the recommendations passed at the Citizenship conventions, we find the following:

"One stated that migrants should be kept informed of conditions under which they may change their names if they so desired (1951: 37); another that sporting organizations give demonstrations to arouse the interest of migrants to play cricket and Australian football as well as the sports with which they are familiar; in particular, they were to be encouraged to play bowls (1951: 40). Each year, resolutions were carried that migrants be exhorted to meet Australians; that they become naturalized as soon as possible; that the housing shortage, 'one of the chief obstacles to assimilation', be quickly overcome; and that the situation in hostels where only foreign languages were spoken be discouraged." 10

Now it seems reasonably clear that the intent of these recommendations was additive rather than substitutive. The migrant has the right to change his name if he wishes (and many did so for pragmatic and commercial reasons) and the option of playing cricket as well as his own sports (presumably soccer!). I can only surmise that bowling was positively encouraged because its slower pace would facilitate greater conversational interchange with native-born Australians; but, in any event, this form of encouragement was surely amusing, harmless and well-intended rather than sinister. The evi-
dence then suggests that convention delegates saw assimilation (rightly or wrongly) as a natural process of adjustment, as the acquisition of appropriate new skills (certainly English but perhaps bowls as well) and as a process which would definitely be impeded if non-English-speaking migrants spoke only their own languages.

**Migrant Education:** If we turn our attention to education policy (which would certainly appear to be the ideal instrument of an assimilationist policy, whether good or bad), again we find that the authorities were primarily interested not in 'homogenization', but in assisting non-English-speaking migrants and their children to adjust to their new environment. The two major aims of the official migrant education program were, firstly, to provide a basis for oral fluency in English on which a newcomer could build and, secondly, to provide information on Australia and Australians which would make adaptation to the new environment easier. Thus, for example, we find J.B. Cox, headmaster of a primary school in a migrant holding centre, insisting in an article written in 1951 that proper instruction in English was "the avenue to mutual understanding" and "the key to the success of the whole immigration project." He suggested further that the procedures used in the classroom and in other activities, like play and singing, should be designed to influence the child's behaviour, teaching him to understand and to obey orders and to "fit into our school life and later into our society." In her book *The Migrant Presence* sociology professor Jean Martin seems to regard Cox as an assimilationist in the sinister sense, for she points out that he fails to mention the languages and traditions that migrant children brought with them to the school. This is quite true, but the significance of the omission is by no means clear. Certainly, teachers at the time were not formally required, expected or encouraged to take an interest in the languages and traditions that migrant children brought with them but they may well have done so informally or in fact. Indeed, Wilton and Bosworth in *Old Worlds and New Australia* suggest that the host society in general may have been tolerant and accepting 'to a fault', i.e., to the point of being overly intrigued with the festivals and with the dress, music and dance of the newly arrived migrants. As these authors remark, "the squishy diet of such occasions" proved too much for some Europeans, who saw it all as benignly condescending. Still, even if we abandon 'interpretive charity' and assume that Cox's omission is to be interpreted as indicating that teachers in the early 1950s were in fact generally indifferent to the cultural backgrounds of migrant children, there can be little doubt that they were vitally interested in where migrant children were going to (i.e., in their successful adaptation to life in Australia) if not in where they were coming from. Certainly, teachers at the time were not indifferent to their pupils' cultural background insofar as the latter was construed as an impediment to children's adjustment to the school and wider community. Children who arrived at school with no or very little, English were quite correctly perceived by teachers as being culturally or linguistically handicapped in relation to the Australian education system. To state the obvious, in a monolingual society, the migrant child needed to learn English and needed English to learn. During this period, teachers were vitally concerned with the interests of migrant children as pupils and as future Australian citizens and were thus mainly interested in a child's cultural background on those occasions when, without remedial measures, it would have had the unfortunate effect of making the child a body in a classroom, rather than a pupil equipped to learn. As far as I am aware, no author has as yet cited any evidence which would suggest that migrant parents were resentful towards teachers at this time for treating their children primarily as pupils who needed to be equipped with the necessary skills of citizenship and the wherewithal to adapt successfully to life in Australia. Rather, the evidence suggests that they understood the problems facing their children in precisely the same terms as their children's teachers and endorsed the latter's aims, objectives and priorities.

**Anglo-Saxon Values:** If the educators of the period are to be accused of being sinister assimilationists, they are at least entitled to a clear definition of the 'Anglo-Saxon culture' — its core values and beliefs — to which they were 'forcing' the migrant children to conform. Providing that definition is by no means easy. If, for example, one points to such obvious attitudes as individualism, achievement orientation, scientific curiosity, the desire to understand natural processes and to put the knowledge acquired to use in the fields of manufacturing technology and medicine, the 'work ethic' and liberalism, it is at once clear that these cultural tenets are not specifically 'Anglo-Saxon' but are, in the main, the natural concomitants of modern market economies. As such they are generally
DEMOCRACY AND MULTICULTURALISM

found whenever and wherever the process of industrialization makes its imprint on a predominantly agrarian society. If one objects to achievement orientation and individualism as economic values, either as 'Anglo-Saxon' values or as 'capitalist' (or 'bourgeois') values, one must nevertheless concede that in Australia's economy, to which immigrants had to adapt, such values are relevant and important. As a matter of (probable) fact, it is unlikely that migrants at this time did have any principled objections to such values, since they came mainly from the industrialized sectors of northern Europe. As one writer points out, "the heavy migration of Dutch and German settlers in the first half of the 1950s probably impressed Australians through the similarity of their modus vivendi with the Anglo-Saxon, and through their skilled craftsmanship."17

Likewise, if we consider these ('Anglo-Saxon') values in a purely educational sense, we find that we cannot discard them without simultaneously abandoning the whole educational enterprise. Individualism and achievement orientation are essential educational values. Learning simply will not take place unless individual pupils are motivated to achieve the knowledge and skills necessary to master particular disciplines. Even in a highly co-operative society that eschews competitiveness and pays due homage to Marx's adage "from each according to his ability; to each according to his need", it remains true that all citizens ought to realize or maximize their individual abilities so that they can contribute to the commonwealth something worth giving. Indeed, in such a society, the full realization of individual potential through sustained intellectual labour is a matter of social and not just of individual responsibility. In brief, then, one discovers that what might have initially seemed to be specific attributes of Anglo-Saxon culture fade off, on the one hand, into the general economic values of industrializing societies and, on the other, into educational values which are intrinsic to the educational process itself.

Finally, if by Anglo-Saxon culture one has in mind the cluster of political values and attitudes surrounding the Westminster model (toleration of diversity, respect for the civic rights of each individual, fair play, equality under a rule of law etc.) one finds that these 'Anglo' or 'British' values were warmly embraced by the early advocates of multiculturalism because they were recognized, quite rightly, as the moral foundation without which multiculturalism would flounder. Al Grassby, for example, in his critique of Brian Bullivant's The Pluralist Dilemma in Education, states the following:

"Bullivant is very concerned that there should be a core value which ensures the survival of the nation-state. There is no quarrel with this when the core refers to values that are held in common, the rule of law, the recognition of justice for the individual, the democratic processes, the commitment to combat bias and violence. There is certainly every reason to have a core which recognizes the eternal and enduring values of equality of man, very often demonstrated, despite its detractors, by the egalitarian sentiments bred peculiarly and worthy in Australia."18

Similarly, Brian V. Hill makes the following point:

"The average Anglo-Saxon is not wrong in feeling that there are things to be proud of in his cultural background. There are traditions of political and religious freedom, respect for all persons regardless of wealth and for women as individual persons, which have helped to make Australia a desirable place to come to. These are achievements to be built upon, not spurned in an exaggerated attempt to show that we love our neighbour's culture more."19

Clearly, statements of this kind lend powerful support both to Melleuish's contention that the values underlying modern multiculturalism are precisely the values that have long been associated with the Westminster model of government and to my own contention that these same virtues and values informed the early period of 'assimilation' in Australia's history as well as the later period of 'multiculturalism'. As part of an argument against multiculturalism, Frank Knopfelmacher once quipped that the policy of assimilation has been "one of our suc-
DEMOCRACY AND MULTICULTURALISM

cess stories"\textsuperscript{20}, but, in my view, multiculturalism is as well; indeed, it is really the same success story.

CONTINUITY: It is important not to overlook the many strands of continuity that have persisted from the early 1950s to the present day. Despite the 30-year gap, J.B. Cox's concern that new arrivals should "learn the significance of all that we honour and respect" is matched, duplicated and vindicated by J.J. Smolicz's insistence that the viability of what he terms "stable multiculturalism" rests upon the shared values that have evolved in Australian society, including "the concept of man as worthy of freedom and respect; economic pluralism whereby individuals can advance themselves according to merit; and the English language as the basic value for all Australians."\textsuperscript{21} Similarly, Cox's original concern with the crucial importance of the learning of English if effective participation in Australian society is to be achieved, is duplicated and re-emphasized by the Australian Institute for Multicultural Affairs:

"There is general agreement that lack of fluency in English is the major barrier to effective participation in Australian society. In their perspective on the centrality of an adequate command of the English language, the ethnic groups consulted are at one with education authorities, professional and other concerned organizations, and political parties in Australia."\textsuperscript{22}

I would suggest that, during this 30-year period, the single most important change that did occur in government policy towards new migrants took place in the late 1950s. I think that the change can best be described as a transition from straightforward or immediate 'identificationism' to a mediated form of 'identificationism'.

During the early 1950s, delegates at the annual Citizenship Conventions repeatedly expressed an ardent desire that migrants should identify with Australia as soon as possible. Whether or not they were indifferent to the cultural background of migrants, convention delegates were vitally interested in their political loyalties. In 1954 delegates met "to consider ways in which newcomers to this land from Europe might be encouraged to realize the fullness of assimilation in citizenship."\textsuperscript{23} In that year half of the resolutions passed were directly concerned with naturalization.

However, the importance attached to this goal does not serve to differentiate 'assimilationist' convention delegates of the early1950s from modern advocates of multiculturalism. The latter are no less anxious than the former that all Australians should have a strong sense of allegiance to the Australian nation. The difference resides in the fact that it was initially believed that the acquisition of a new form of identification or political allegiance simply involved a switch from the old. Thus, for example, convention delegates in 1950 and 1952 deliberately eschewed the use of the term 'integration' because of its connotations of divided political allegiances.\textsuperscript{24} The term 'New Australian' was the accepted and approved designation of a migrant, although the children of migrants were to be referred to not as 'New Australian' but as 'Australian' children.\textsuperscript{25}

As the decade progressed, however, it became increasingly obvious that this naive expectation would not be met. M.C. Harris, in his study of Australian attitudes to migrants, carefully documents the stages of this evolving realization, beginning with the motif of the 1956 Citizenship Convention 'Together we build' and culminating in the presentation of the agenda paper of M.S. Brown in 1961. The latter claimed that "while the assimilation of migrants was a desirable objective, it need not and should not clash with the rights of migrants to lead their own lives and maintain their own national attachments alongside their gradual identification with Australia."\textsuperscript{26}

It is in the Dovey committee's report, presented to the Australian Citizenship Convention in 1960, that we can most clearly see the new shift in emphasis from immediate to mediated identificationism. The report acknowledged the value of maintaining migrant traditions, and recommended that all children should study the countries of origin of migrants and
that bilingual families should be preserved. In suggesting that the diversity of migrants' traditions was something to be positively celebrated, the Dovey committee first sounded a new note that was to be heard more loudly and more frequently in the years ahead. During the next two decades, as Australian society became much more ethnically diverse and as ethnic minorities accounted for an ever increasing proportion of Australia's population, the Dovey committee's recommendations became more relevant, more meaningful and, perhaps most important, more viable in political and educational terms.

Modern multiculturalism, then, evolved out of and did not constitute a radical departure from, the earlier policy of ('non-sinister') assimilationism, and perhaps the single most important factor that accounts for this fairly smooth evolutionary process is, as Melleuish suggests, the fact that the Westminster or British tradition of tolerance, fair play, respect for civil rights etc. facilitated both benign assimilationism and multiculturalism.

**REPUBLIC OR MONARCHY:**

But why, one wonders, is Melleuish so convinced that these values would not, or could not, form the bedrock of a new Australian republic. The reason is that he holds that the establishment of a republic in Australia would signal a victory for Australian nationalism, which historically, in his view, has shown itself to be a narrow, inward-looking, generally intolerant and 'tribalistic' force, and would signal a defeat for the monarchy and the Westminster model of government, with which these civilizing values are intimately associated. Perhaps he has a point, but I would hold, hopefully not naively, the more optimistic view that the core values that Melleuish prizes are now part of the very fabric of Australian political life and that they will remain an integral element of a now mature Australian democracy whether in the future it assumes a republican form or retains the present form of a constitutional monarchy.

There are times, however, one must surely admit, when Melleuish's 'pessimism' seems warranted. If, for example, we regard Prime Minister Keating as an 'arch-republican' and if we regard his political style as a foretaste of things to come in the 'new' republic, then it might seem that we should share Melleuish's concerns. After all, Mr Keating did originally promote his republican views with the most vulgar attacks on the British (deserting 'us', or 'our tribe', at Singapore etc.) and he thus appeared to embrace the kind of fervent, bigoted nationalism which Melleuish fears so much and which, if unchecked in a new republic, would demean 'Britishness' and make Australians who are proud of their British heritage feel like strangers in their own land. Moreover, our fears are scarcely assuaged when we observe Keating's pugilistic parliamentary tactics and the 'macho' tone of his assertion that Australians don't want their politicians to be 'wimps' (i.e. temperate, tolerant, restrained, polite, non-aggressive?).

But then Prime Minister Keating is also the main architect and public defender of 'Mabo' and this, in my view, entitles him to be regarded as one of the leading statesmen of the century and entitles us to feel that his statesmanship in this regard is a hopeful sign of the maturity and strength of Australian democracy. Many readers will, of course, disagree with my favourable view of Keating's handling, as Prime Minister, of the 'Mabo' debate and of the legislative steps taken to resolve it, but it must surely be conceded that if we regard Paul Keating as the 'torchbearer' for the kind of Australian nationalism that would characterize a future republic, then his handling of Mabo (as well as his general support for multiculturalism) offers strong evidence that it would not, to use Melleuish's expression, be "rooted in ethnic and cultural exclusiveness." Even if it is true, as Melleuish suggests, that it was "the tradition embodied by British nationality" that "often kept in check the worst excesses of the xenophobia and bigotry unleashed by Australian cultural nationalism," still there is substantial evidence to suggest that the tradition he cherishes is now an integral part of Australia's political culture and of Australian nationalism.

Finally, Melleuish's concerns do serve to remind us of our British political tradition and inheritance. This is not meant needlessly to offend or embarrass supporters of the republican cause but to suggest that we should all — republicans and monarchists alike — acknowledge that the values of that tradition are of critical importance for our democracy, and that, though they are universal and perhaps 'eternally' valid values (tolerance, respect for the individual, conciliatoriness etc.), still they have come down to us embodied and 'concretized' in the 'Westminster' political tradition: they are not, for us, simply a set of abstract ethico-political 'truths' to be dispassionately considered or mulled over in the study, for the 'Westminster' political tradition has made them a tangible, real and 'concrete' part of the ongoing life of Australian democracy.

Undoubtedly, constitutional monarchists will wish, with Melleuish, to suggest that our acknowledgment of the importance of these core values for our democracy and way of life should convert us to the Australian Crown, as the enduring representative symbol of these values. However, republicans, in disagreeing (as no doubt they would!), should take care not to disparage the 'Britishness' of these values — what plausible reason is there for demeaning the vehicle or tradition through which we have inherited them? — nor to deride the values themselves, for a republic not informed by them would not be worth having.

Footnotes and references are available from the IPA Review office in Melbourne.
The Unions and Labor by Des Moore
The trade union movement plays a special role in the Labor Party and has a close relationship with the Federal Government. It receives large government grants, is represented on numerous government committees and exerts influence over policy. This Backgrounder critically surveys the special relationship between unions and government.
(July 1995) $8.00

The Implications of Globalisation for Macroeconomic Policy by Des Moore
Increased globalisation has led to claims that governments now have a more limited capacity to pursue ‘independent’ macroeconomic policies. This Backgrounder looks at approaches which should be adopted to reduce the risk of major instability from volatile actions of international financial markets, and to improve the medium-term performance of the Australian economy.
(May 1995) $8.00

The Case for Privatisation by Des Moore
In Victoria there is a renewed debate about privatisation, centred around the Kennett Government’s proposal to privatise the SECV and the State Labor Opposition’s claim that this is against the public interest. The argument is put that, properly implemented, privatisation is in the public interest and that those opposing it are supporting narrow sectional interests.
(March 1995)

ENVIRONMENTAL BACKGROUNDDERS

Diversity versus Uniformity by Brian J. O’Brien
A look at a new analytical device, the ‘East-West effect’, which could reform environmental policies so that Australia can achieve sustainable development without the present loss of international competitiveness.
(May 1995) $8.00

Greenhouse: Facts and Fancies by Brian Tucker
Significant uncertainties remain in understanding the timing, magnitude and geographic distribution of the enhanced greenhouse effect and its probable consequences. Biased selection from the highly-variable climate record over past decades has been used by well-intentioned, and less well-intentioned, pressure groups to boost both sceptical and alarmist prejudices. This has confused public opinion, and has induced something akin to panic reaction from some government policy-makers.
(November 1994)

The Precautionary Principle: The Greatest Risk of All by Ron Brunton
The precautionary principle is currently enjoying great success among environmentalists and bureaucrats. In this Backgrounder, Ron Brunton argues that the precautionary principle embodies faulty ideas about the appropriate response to scientific uncertainty.
(May 1994)

IPA Backgrounders listed above are available individually for $5 (inc. P&H) unless stated otherwise. Ensure that you receive IPA Backgrounders, including Environmental Backgrounders, as soon as they are issued by subscribing now ($80 per year). Write to IPA, Ground Floor, 128-136 Jolimont Road, Jolimont, Vic. 3002; or phone (03) 9654 7499 to pay by credit card.
the Inevitable Republic

CHRISTOPHER CARR

THE POSITION OF THE MONARCHY HAS BEEN WEAKENED, BUT MR KEATING’S ALTERNATIVE IS SERIOUSLY FLAWED.

PAUL Keating has demanded that John Howard answer the ‘central’ question: does he support an Australian as head of state? The Canberra press gallery and various editorialists have joined the Prime Minister in what amounts to an anti-Howard campaign. It seems that in the hands of Keating and his allies, reasoned debate about the merits of constitutional change will be subsumed under strident claims that those who support the present arrangements and oppose a republic, are less than wholly Australian.

In his statement to Parliament, Mr Keating eschewed ‘hairy-chested’ appeals to jingoism. In fact, the passionately held opinions of a large percentage of Australians are implicitly held to be illegitimate. It is true that pro-monarchists mostly belong to an older generation and that, over time, a republic may gain more general support. But to impugn a generation who saw no contradiction between loyalty to monarch and love of country, and to demand of John Howard that he forthwith disenfranchise a large proportion of his constituency in order to prove his political correctness, reflects a disturbingly authoritarian attitude in the republican push.

The question ignores the fact that by Act of the Commonwealth Parliament, the Queen is titled Queen of Australia. The Monarch’s position in the Australian Constitution is separate and distinct from her titles as British monarch. Mr Whitlam appeared perfectly happy with this arrangement prior to his dismissal. It is unclear whether he objected to dismissal by a monarchical or presidential figure. Of course he is entitled to change his mind. But it is incontestable that the Governor-General is the representative of the Australian monarch, not the Queen of the United Kingdom. Constitutional monarchists, including the late Sir Robert Menzies, have laid much stress on the centrality of the Crown in our political and legal institutions. In their eyes, the Crown can be seen both as a symbol of continuity, apolitical unity and legitimacy, transcending the virtues, vices and physical location of the individual who is the monarch. The Queen of Australia acts solely in accord with the advice of her Australian Prime Minister and the Australian Constitution. Her position in relation to the British Government is legally irrelevant.

I have stated the position in the perhaps vain hope that the debate may be conducted above the level of abusive charges of grovelling and forelock tugging. It must be recognized, however, that once the monarchy has become the centre of political debate, its essential historical role may be compromised. Perceptions, widely shared, assume greater significance than legal niceties. In short, there are two issues. The first is the relative virtue of constitutional monarchy versus republicanism. The second is the absentee monarch, permanently resident in Britain, and the foibles of the younger Windsors. Unfortunately, the second may submerge substantive consideration of the first.

COMMUNITY ERODED: In practical terms, what amounts to a shared monarchy can only be perpetuated in the long term where there is a continuing community of interest. Eighty years ago, our grandparents were both proudly British and proudly Australian. There was no hint of conflict of loyalties or subservience. Our ties with Britain were both sentimental and severely practical. In

Christopher Carr is a Sydney-based observer of the Australian scene.
THE INEVITABLE REPUBLIC?

If the operation of a republican constitution is determined by politics at every level, the separation of powers can no longer be subject to convention.

Immigration. But in the interests of good relationships with the numerous non-white republican members of the Commonwealth, the only solution was a blanket non-discriminatory restriction on all immigrants. At one stroke, we had what was, in effect, a British repudiation of any tribal affinity with Anglo-Celtic Australians.

If the operation of a republican constitution is determined by politics at every level, the separation of powers can no longer be subject to convention.

Immigration. But in the interests of good relationships with the numerous non-white republican members of the Commonwealth, the only solution was a blanket non-discriminatory restriction on all immigrants. At one stroke, we had what was, in effect, a British repudiation of any tribal affinity with Anglo-Celtic Australians.

Immigration. But in the interests of good relationships with the numerous non-white republican members of the Commonwealth, the only solution was a blanket non-discriminatory restriction on all immigrants. At one stroke, we had what was, in effect, a British repudiation of any tribal affinity with Anglo-Celtic Australians.
ably, the proposed two-thirds majority would help secure consensus, although simple legislation could change the Senate voting system from proportion-
al to preferential, thus putting a two-
thirds majority within easy reach of either the Coalition or the ALP. It does not matter whether or not the Presi-
dent is a politician. The legitimacy of the office would become primarily political. Armed with the present reserve powers, we may find that the President will derive greater political legitimacy from the two-thirds vote of both houses than the Prime Minister who derives his position from a simple majority in the House of Representatives alone. Alternatively, if we assume that the President will only act on the advice of the Prime Minister, a position that Mr Whitlam adheres to with fervour, we may conclude that the President's legitimacy derives from his nomination by the Prime Minister and a deal amongst political leaders. The office would be little more than a branch of executive government.

The alternative proposal, that the President be elected by popular vote, has been criticized as rendering the office political. However, the proposed election by politicians would also render the office political, with undesirable conse-
quences that have been outlined in this journal by Bruce Knox. The authority of the monarchy derives from the perception that it is above the caprice of political ambition.

Under the Westminster system, convention has determined a clear separa-
tion of function between the Crown and the executive or cabinet. This is

the essential basis of the separation of powers. If we conclude that the opera-
tion of a republican constitution is determined by politics at every level, the separation of powers can no longer be subject to convention whatever the reassuring pretensions. Thus a key foundation of the Westminster sys-
tem is undermined.

Republicans have argued that the Queen, on her foreign travels, exclusively represents the interests of the United King-
dom. They believe that this clinches their argument for a 'Austral-
ian' head of state, who would exclusively represent the interests of this country. Apart from a complete failure to distinguish functionally between the role of the Monarch and the British Cabinet, it implies a clearly political role for a republican head of state.

Clause 1 of the Constitu-
tion states that Par-
lament consists of the Monarch, the Senate and the House of Represen-
tatives. If we are to abol-
ish the Monarch, it is clear that a radical new constitution will be required which clearly separates the legislative and executive functions.

If we are to abolish the Monarch, it is clear that a radical new constitution will be required which clearly separates the legislative and executive functions.

The Americans have their Declaration of Independence. The French have their revolution; they celebrate Bastille Day. But we have none of these things.

SYMBOL OF WHAT?: Finally, we may ask what the republican head of state will symbolize. At least the Crown can be seen to symbolize the continuity of a tradition with roots in British political and legal history. It is true that these linkages are now gravely weakened. But this sense of history and tradition is still adhered to by a large, albeit diminishing, num-
ber of Australians. By contrast, what will be the defining principles of an Australian republic? The Americans have their Declaration of Indepen-
dence. The French have their revolution; they celebrate Bastille Day. But we have none of these things.

When John Howard sought to reiterate in an Australian context the words on the Great Seal of the United States, "E pluribus unum", he was condemned by the ethnic lobb-
ies. The new multiculturalism appears expressly designed to preclude assimilation or integration. Many eth-
nic leaders see their main purpose as being the preservation of cultural and social enclaves and the ending of Anglo-Celtic domination of the political and social agenda. Support for a republic can be seen as a weapon of convenience, making the republic a battleground between the old Aus-
tra
d and the new.

We may be condemned to a cacophony of noise from competing minority agendas until a military, political or economic crisis forces the tough decisions required for genuine national independence. The debate has focused on the forms rather than the substance of independence. Adversity, not our current easy affluence, may provide the key to a renewed sense of national community.

If we are to abolish the Monarch, it is clear that a radical new constitution will be required which clearly separates the legislative and executive functions.

Following the Prices Surveillance Authority's inquiry into bank charges, the Federal Government is pressuring the banks to introduce basic no-fees accounts, even threatening legislation to cut bank fees and charges. Is the pressure justified?

whose business is it? TERRY BLACK & AMELIA PAPE

The broad conclusion to emerge from the Prices Surveillance Authority's (PSA) analysis of Australian banks is that the current structure of financial institution fees and charges is inefficient. Evidence presented at the inquiry showed that about 90 per cent of a bank's fee revenue comes from the account-keeping fee, with account-keeping costs comprising only 26 per cent of total costs. Transaction-fee revenue, on the other hand, makes up 10 per cent of fee revenue and 74 per cent of total costs. The inquiry concluded that "... financial institutions are not setting relative price signals consistent with the cost of services." According to the PSA, banks are using the wrong cost-driver (account-keeping costs, instead of transaction costs). Is it possible that the PSA understands the underlying costs facing banks better than the banks themselves, or is the PSA missing something?

Incentive: The banks have a considerable incentive to charge fees that accurately reflect the costs they face. If they don't, they lose profits and customers. If what the PSA says is true, why haven't the banks altered their pricing structures accordingly?

The PSA claims that low-transaction customers are being overcharged to fund the transac-
tions of other customers. While it is obvious that overcharging is undesirable for customers, it is also undesirable for banks as it encourages customers to shift their money to a competitor that does not overcharge. Banks also need to avoid undercharging customers. Undercharging attracts customers who cost more than they earn for the bank.

If the PSA is right, banks could increase their profits if they reduced account-keeping fees and increased transaction fees. Customers with a high volume of transactions would then pay higher fees. These customers would then economize on transactions and, if the increase in price is significant enough to warrant the effort, shift their custom to a lower-priced competitor. If the competitor has the same ‘inefficient’ cost structure as the customers’ original bank, it would find that it also needed to reassess its pricing structure. This is because it would be attracting new high-transaction customers, while its low-transaction customers, paying high account-keeping fees, would be leaving. This ‘domino effect’ would continue until all banks in the industry were charging fees that accurately reflected their costs.

The likely reason as to why this chain of events hasn’t happened is that banks are already charging fees that accurately reflect the economic costs of providing services to their clients. Economic costs take into account not only accounting costs, like those analysed by the PSA, but also opportunity costs.

Transactions generate revenue for banks in forms other than transaction fees. When you deposit a cheque in your account, you cannot draw on it straight away. Generally it takes five to seven days for the funds to ‘clear’. This means that the bank can profit from lending or investing your money for almost a week. On the other hand, maintaining an account for you which has only a small balance does not give the bank the opportunity to earn revenue from your funds. Thus the bank needs to recover the full cost of maintaining that account. If this cost is not recovered, the bank makes a loss providing this service to you.

The PSA intends to monitor banks over the next three years in their fee restructuring, since the PSA questions, for example, the charging of account fees on dormant accounts. If the current fee structures of banks are optimal, this monitoring will impose costs on banks. The PSA inquiry has already imposed costs on banks, for example those incurred in preparing submissions and presenting evidence, and it is likely that these, along with the costs of monitoring, will be passed on to customers.

SOCIAL OBLIGATION: The inquiry also explored the question of whether the banks owed a service obligation to society. On this issue, the PSA appeared to rule in favour of the banks. “Information available to the Inquiry does not convince the Authority that intervention in the market to compel the free supply of a specified basic transaction product is necessary at this point in time ...” Evidence suggested that a number of existing bank, credit union and building society products come close to providing a basic service.

The PSA has, however, kept its options open, declaring that a “... different assessment could be made in the future, depending on developments in the structure and level of charges on accounts.” Moreover, the Australian Federation of Consumer Organisations has continued to lobby for the provision of a fee-free basic account. This is not surprising as prior to deregulation customers received bank services free of charge. Naturally, customers want this situation to continue.

Before deregulation, banks could afford to cross-subsidize services because the industry was less competitive and bank profits (return on investment) were considerably higher than they are now. Banks did not charge fees for transactions or account-keeping since their interest-rate margins (the difference between borrowing and lending rates) were large. Since deregulation, competition from new financial institutions, for example home loan providers such as Aussie Home Loans, has reduced banks’ margins to the point where they have little choice other than to charge fees for transactions and account-keeping.

The Government will impose costs on the banks if it forces banks to provide a fee-free service, without subsidizing it. Bank profits are not high enough to absorb these costs, so they would eventually be passed on to customers. It is also worth emphasizing that, as the inquiry acknowledged, government taxes are a heavier burden on customers than bank charges. On average, FID and BAD taxes come to three times the bank charges. The Australian Bankers’ Association is lobbying for the abolition of these taxes. The inquiry recommended only that the taxes be combined into one.

There is no need for the Government to impose a basic product onto banks. If demand exists for a no-frills account, banks would be irrational not to provide such accounts, providing they can charge sufficient fees to recoup their costs. If some banks refuse to provide such a service, an opportunity exists for an enterprising bank, building society or credit union to meet the demand. Banks are businesses: they should not be compelled to supply their services without charge. Any alteration to the current fee structure forced by political pressure would be likely to place banks, and the people who rely on them, in a sub-optimal position.
The problem of punishment, which perplexes contemporary societies, is explored in a play by Ariel Dorfman, now a major new film directed by Roman Polanski.

**Crime without Punishment**

**LUCY SULLIVAN**

Unlike most contemporary novelists of manners, Margaret Drabble has, since the eighties, incorporated the burgeoning crime and social breakdown within the welfare state into her novels. But although she states the problem, she offers no real analysis.

One of the characters in her novel, *A Natural Curiosity*, reflecting on the increasing and increasingly horrific violence impinging on dwellers in middle-class London, notes with puzzlement that in her social milieu it had been believed that treating everyone, particularly the poor and the criminal, with greater generosity and kindliness — with the behaviour of love — would result in a happier and more peaceful society, whereas the opposite seemed to have occurred.

Doris Lessig's novel *The Fifth Child* is a parable expressing this same sense of paradox, that the wages of virtue are violence and the loss of civility. In the novel, a fifth child is born into an arena of domestic happiness, but, unlike the previous four children, he does not bring with him the incipient drives and responses which in their normal development construct and reconstruct the happy family: he does not react empathically to the needs and the pain of others, and the stuff of family life arouses in him no spark of grateful recognition. As he grows in strength and destructiveness, his presence becomes intolerable to the rest of the family. But his mother, because she believes so strongly in the virtues of loving and caring which sustain the family and human society, cannot allow his removal to an institution where he will be denied their benefit. Because she
insists on making available the full benefits of family sustenance to a member who does not reciprocate, the family is destroyed.

Kindness to Criminals:
Both Drabble and Lessing are writing from within a profoundly influential development in social thought of the sixties, in the English-speaking world at least — an endorsement of a psychological determinism which explains criminal or antisocial behaviour as determined by experience, either at the familial or societal level, of the iniquities of an oppressive and unjust political system. The policy implications of this belief are that criminal behaviour is not the fault of the perpetrator, and therefore should be treated beneficently; that kindness will cure criminals, while punishment cannot deter them.

The policy implications of this belief are that criminal behaviour is not the fault of the perpetrator, and therefore should be treated beneficently; that kindness will cure criminals, while punishment cannot deter them.

Political oppression — express a more recent Marxism.
Drabble, in the same book, directs the reader to notice a moral disjunction in that a character who teaches literature to prison inmates is accepting, tolerant and forgiving of a serial murderer whose victims include one of her former students, but is intolerantly hostile towards some law-abiding acquaintances whose opinions, as conservatives, do not accord with her own.

The ideologically difficult postulation, glanced at by Drabble and powerfully but obliquely presented by Lessing — that love does not necessarily control violence, and that the abrogation of humane values may be necessary for their protection — is central to the recent play Death and the Maiden by Ariel Dorfman, although it is approached even more elliptically than by either of these former authors. The play was performed by the Sydney Theatre Company in both Sydney and Perth in 1993 and is now released as a film (which I have not seen). It is set in a South American country which has recently emerged from a brutal dictatorship, and is now engaged in a program of recording the atrocities (torture and deaths) suffered during the reign of terror. The title is taken from a quartet by Schubert which was played to Paulina, the heroine of the play, during her torture, to sustain her spirits so that she would not die under interrogation.

The program of investigation of the reign of terror's crimes against the person will not, it has been decided, include identification, prosecution or punishment of the perpetrators of these crimes. The rationale for this toothless approach is that the first object of a society which has just regained humanity is to preserve that condition, and that pursuit of the guilty is likely to regenerate the vicious forces which have only just been subdued. What then is the point of the investigation? It is to allow the victims to state their losses, to report the husbands and sons, wives and
daughters who have disappeared; to try to provide information to survivors; to acknowledge the suffering of the tortured. Society will take the trouble to document these things, so that their sufferings will not be passed over as if they had never happened.

To the cool eye of rationality this seems a rather futile undertaking. Might it not encourage a recurrence, if the wrongdoers are not punished, and this by deliberate choice? And what good can simply recording do for victims? The dead cannot be reclaimed or the horrors of torture eradicated from the memory. However, the progress of this century has thrown up many a rational program based on Western culture's analyses of society and the psyche, which with hindsight has assumed the character of the atrocious, for the success of empiricism and reason in dealing with the physical world are yet to be replicated for the human. Equally, a society may illogically take an uncharacteristically humane path, as occurred after the bombing and destruction of Dresden by the Allies towards the end of World War II.

Following the fire-storming and the obliteration, almost without trace, of large sections of the city and its inhabitants, the city authorities returned to the scene of destruction to gather and catalogue every smallest scrap of matter which might indicate the identity, or serve as the remains of, a life lost. Even tiny scraps of clothing fabric were documented as to place of retrieval, so that relatives would have every available chance of ascertaining the end of their loved ones. This expenditure of energy on a project which could not return the dead, and must have served to delay reconstruction, by a society engaged both in a desperate and failing war of conquest and in a program of genocide of large groups of its population, and thus apparently holding humanity in low esteem, is, in logical terms, baffling.

One sees in this undertaking a statement of values which the same society was denying on every other front — the value of human relationships and of continuity in human existence. Similarly the nation of Death and the Maiden appears, through symbolic action, to be stating its values, after a period in which it has been powerless to maintain them. It is enlisting the power of social ideas and ideals, in place of force, to direct behaviour. The collection of this catalogue of horrors, and their acknowledgment as such, are intended to guard against their repetition.

Paulina's husband, Gerardo, has a leading role in this investigation and is satisfied with its program. He did not personally suffer from the previous regime by torture or bereavement. Paulina, who has, sees it as less just, more doubtful. Their differing standpoints on the past, created by differences in experience, are brought into conflict both by Gerardo's complacent involvement in the enquiry, and the eruption of the supervisor of Paulina's torturer into their household. This occurs when Gerardo is delivered home from a car breakdown by the one compassionate, of many uncompassionate, passing motorists, and she recognizes, in his voice outside the door, her past torturer — blindfolded during torture, she had never seen his face. In the
course of the drive home, Roberto, the torturer, has learned of Gerardo's role. He does not recognize Paulina, and after departing he returns to the house on a pretext to spend the night, presumably hoping to find out more about his chances of prosecution. The audience, not yet knowing the relationship of wife and visitor, is stunned when Paulina goes to his room, stuns him, and ties him hand and foot.

DENIAL OF GUILT: The conflict between Paulina and Gerardo, inherited from the past, is exacerbated by his disinclination to see Roberto as anything other than the nice bloke who kindly gave him a lift, and his consequent tendency to doubt his wife's sanity, for Roberto does not, of course, admit his guilt. But also there is the reinvocation of Gerardo's betrayal of Paulina, on a personal level, while she was imprisoned: after suffering prolonged torture through refusing to acknowledge their joint political involvement, she returned to find him cosily ensconced with another woman.

It is easy for Gerardo to be reasonable, forbearing, and humane, to put generalized social welfare above retribution, because for him the crimes of the regime remain theoretical. For Paulina there is unavoidable personal engagement, and for a while it seems that these two of the three central characters might be falling into sexual stereotypes — the man dispassionate and rational, his measured mind having dominion over the impulse of revenge, while the woman, driven by emotion, functions at a less civilized, 'subjective' level. It is easy, too, to sympathize with this reasonable, cautious man because his position accords with our wish for calm and order, and for getting on with our lives, which have not been afflicted; and it is harder to retain in focus the past sufferings of the woman, which threaten disruption in their demand for resolution, and which we have not shared. The potential stereotyping does not in fact occur, because we are adequately reminded of the difference in experience of husband and wife, and of its role in the parts they play in this moral dilemma, making him unavoidably marginal and her, central.

Despite her certainty about Roberto's identity, Paulina's concern throughout most of the play is not with revenge, but to make him admit his guilt. Only when he has finally admitted his role, and speciously claimed exonerating circumstances and his innocence before the fascinating allure of cruelty (who then is ever guilty?), does she face the question of his punishment which she must deliver, since society will not. She could shoot him; she has a gun.

However, she lets him go. Faced with the perpetration, herself, of violence on another human being, no matter how guilty, she does not want to do it. This, of course, is the great dilemma of loving and working humanity, the majority group who do not possess the exploitative traits of Veblen's "predatory classes" or Nietzsche's "supermen". Even when preyed upon, they do not want to retaliate in kind, because such behaviour denies their essential natures. If, like Paulina, they do not quite turn the other cheek, they also do not hit back with retributive violence. A similar denouement is portrayed in the true story of an obsessional search for the man responsible for the betrayal of the author's mother, and so for her death at the hands of the Germans during the occupation of Greece in World War II. When finally he has been identified and found, the retributive murder is not carried out. "What would it serve?" is the question asked by decent people, and clearly, at the personal level, an answer which directs them to take revenge cannot be found.

Paulina's personal odyssey in fact delivers her into the position adopted by her society, which she at first rejected, and, as she is one of the participants in the social tragedy which is to be resolved, serves to justify it. Nevertheless her passage could not be omitted. Her moral assertion, in forcing her persecutor to admit his role and acknowledge his inferiority, her recording of her wrongs on their perpetrator, is, the play states, a necessary precursor and adjunct to his release, a parallel, in a personal encounter, to her society's recording of wrongs on behalf of its members.

The play's resolution of this conflictual set of circumstances provides a reflection on the expensive but apparently abortive program of attempted prosecutions of Nazi war criminals recently instituted in several Western countries, including Australia. Most people probably feel ambivalent about the undertaking, recognizing both the moral need to acknowledge the horrendous crimes of that period, and to document their perpetrators, but uncertain of the moral worth of inflicting delayed justice on elderly people now a lifetime away from their crimes, when this no longer serves any concrete social function.

Dorfman's solution of the problematic disjunction created by the employment of punitive power for the protection of humanity and civic decency, of force for order, is, it seems, a policy of vigorous ethical statement, an assumption of the high moral ground by the supporters of humane, pro-social values. This is half a step back from the position created by psychological determinism in the sixties. At the level of public policy, the antisocial action can be blamed, stigmatized; but its individual perpetrator cannot, and punishment is disallowed. At the personal level, the villain can be scorned and humiliated, but revenge in kind is rejected. It is a return to judgmentalism, but without sanctions. Thus Dorfman to some degree proposes an answer to the problem which is merely stated by Drabble and Lessing. Is it acceptable and is it enough?
Rule by the Upwardly Mobile

M. A. Casey

The Revolt of the Elites
by Christopher Lasch

Norton, 1995

Towards the end of August, ABC radio’s AM program carried an interview with an academic from New South Wales who likened the Marks Royal Commission in Western Australia to the 1955 Royal Commission into Espionage, which was established in the wake of the Petrov defection. Both enquiries, so the learned doctor claimed, had the sole purpose of removing from public life a brilliant but troublesome politician, unquestionably of prime ministerial mettle, before his humane and impeccably social democratic radicalism could upset the established order.

Carmen Lawrence and Herbie Evatt were both intellectual giants, he said, a breed all too rare in Australian political history. Their visions were boundless and sunny, their principles higher than Everest. And yet, they were undone. If any fault of their own contributed to this, the professor concluded, had the sole purpose of removing from public life a brilliant but troublesome politician, unquestionably of prime ministerial mettle, before his humane and impeccably social democratic radicalism could upset the established order.

TOWARDS the end of August, ABC radio’s AM program carried an interview with an academic from New South Wales who likened the Marks Royal Commission in Western Australia to the 1955 Royal Commission into Espionage, which was established in the wake of the Petrov defection. Both enquiries, so the learned doctor claimed, had the sole purpose of removing from public life a brilliant but troublesome politician, unquestionably of prime ministerial mettle, before his humane and impeccably social democratic radicalism could upset the established order.

Carmen Lawrence and Herbie Evatt were both intellectual giants, he said, a breed all too rare in Australian political history. Their visions were boundless and sunny, their principles higher than Everest. And yet, they were undone. If any fault of their own contributed to this, the professor concluded, it was that the arguments they used in their defence drew on standards and an idea of public life that ordinary people were simply incapable of understanding. If only the voters were a little more intelligent, he seemed to be saying, if only they were not so stupid, the two great Docs could have led us to a radiant future.

The attitude here expressed, that the citizens of a democratic polis are too moronic to know what is good for the country, let alone for themselves, is commonplace today but very seldom remarked. An important local exception is Melbourne analyst Bob Browning, whose new book, Bad Government (Canongown Press), provides a damning catalogue of the appalling contempt with which Australia’s ruling elites treat the ordinary people they no longer pretend to serve. Another, better known exception is the late American historian Christopher Lasch. An important part of The True and Only Heaven (1991) was dedicated to documenting the gulf that divides the values of ‘the elites’ and ‘the masses’, and in his latest and last book, The Revolt of the Elites, this division takes centre stage.

OLD ELITES AND NEW: The existence of ruling classes is not the problem for Lasch. They have always existed and always will, but they have never been so dangerously isolated from those they rule as they are today. The old democratic elites were bound by strong local and regional loyalties — old families became ‘old’ because they put down roots — and an ethic of civic responsibility which dictated both an active involvement in public life and generous contributions to building the physical amenities of the public domain. The motivation for these involvements and contributions obviously varied, and was doubtless sometimes self-serving. But underlying it was an important assumption: that the ruling classes were part of the world held in common by all.

The democratic elites of today, comprising for the most part “the producers and manipulators of information,” are quite different. International in outlook, and without an attachment to place, they live in “a world of abstractions and images” and despise ordinary people for their “parochial” and politically backward concerns about the problems of everyday living. They enjoy enormous privilege, but because their privileged position is owed to talent rather than to blood or valour, they do not feel obliged to make “a direct and personal contribution to the public good,” and actually resist any such obligation. They are the best and brightest, so they claim, and the privilege they enjoy is self-made. The justification put forward here is that democracy means meritocracy. It is precisely with this that Lasch takes issue.

SELF-GOVERNMENT: In itself, the principle that privilege is licit only if it is earned is unobjectionable. Lasch’s concern, however, is that the generalization of this principle in the concept of social mobility has led to a distorted understanding of what democracy should be. As it was originally conceived, democracy stood for “raising the general level of competence, energy and participation,” not for rule by the upwardly mobile. Whatever the opportunities democracy may offer for material improvement (and Lasch does not belittle or oppose these), the defining democratic opportunity should be that of “self-government by intelligent, resourceful and responsible citizens.” For Lasch, this is the only opportunity that matters. Whether or not democracy has a future depends on it alone.

Meritocracy stands in direct
opposition to true democracy, Lasch argues, for one of its corollaries is the conceit that government should be left to those of the greatest talent. Experts and professionals should conduct public affairs, and the people should be left to what interests them most, the conduct of their own puny lives. He observes that in support of this position it will sometimes be pointed out that people in general are notoriously ill-informed.

For example, apparently most Australians do not even know we have a constitution, let alone what it is or what it is in it. Various committees have been established to remedy this situation through a program of ‘civics’, but more than public awareness campaigns are required to make citizens. If most people do not know about the constitution, Lasch would argue, it is because they have no use for it. They have no use for it because they are effectively excluded from government and participation in public life. The constitution is, after all, a piece of information. If you are directly involved in political and social debate, it is information you must have. But if you are not so involved, it is completely irrelevant, like so much of the information we are awash with today. All this would change, however, if the meritocratic exclusion of ordinary people from public life could be overthrown. People would inform themselves if they were involved, for the necessary condition of democratic citizenship is not information but participation. If you want to “educate people for citizenship,” Lasch argues, let them govern themselves.

This is an interesting line of argument, and Lasch pursues it through a range of issues, including US racial politics, “cultural diversity,” education’s role in democracy, the media, communitarianism, and the academic denial of reality and value. His book is in fact a collection of essays, although this does not really become apparent until the third and last part. It is written as a polemic, and shares the flaws of polemical writing: points are sometimes overstated, objections are sometimes not acknowledged, and targets are sometimes too broadly drawn. But the arguments put forward, in compelling style, are serious and well-made and spring from insights of genuine importance. Drawing on authors from both the left and the right, with discrimination and to telling effect, Lasch provides us with a model of the type of vigorous engagement with public affairs that he would wish to see restored to late democratic life, and now never will.

*Michael Casey is a copy-boy with The Sunday Age*

<table>
<thead>
<tr>
<th>OUR PLACE IN ASIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claude Rakitsis</td>
</tr>
<tr>
<td><em>Living with Dragons: Australia Confronts Its Asian Destiny</em></td>
</tr>
<tr>
<td>Edited by Greg Sheridan</td>
</tr>
<tr>
<td>Allen &amp; Unwin</td>
</tr>
</tbody>
</table>

In a recent article in *The New York Times*, Nicholas Kristof asserted that if America was looking for a model in the Pacific, it is Australia. According to the author, at the beginning of the 1980s Australia was a European country that happened to be located at the tip of Asia; now it was in many ways an Asian country of European stock.

Kristof drew this conclusion on the basis that, compared to America, Australia had been much more successful in getting to understand Asia. Australia had also put more effort into achieving this, particularly through the teaching of Asian languages and cultures at school. Compared to America, we are certainly more integrated with the Asia-Pacific, but to assert that we are an Asian country is, I believe, drawing the wrong conclusion.

*Sheridan’s edited book, Living with Dragons, is an attempt to deal with this subject — Australia’s role and future in the region. This is a highly topical and at times controversial subject, particularly given the Australian Government’s drive to be integrated — economically or otherwise — in Asia. So Sheridan’s book is a welcome contribution to the debate. Unfortunately, as is often the case with edited books, contributions are of mixed quality. While there are some interesting chapters, including Sheridan’s own on human rights, others either lack focus or are not directly relevant to the subject.*

Asianization Exaggerated: Sheridan’s hyperbolic opening statement sets the tone for the first part — ‘Charting the Revolution’: “A revolution is sweeping across Australia. The nation is changing fundamentally and irreversibly. The old order is gone, a new order is taking shape with astonishing speed and force. An old mental universe has died, a new universe has come into being ... the old order can never be restored.” He’s referring to the Asianization of Australian life which he defines as Australia’s “thorough engagement with Asia” and which he claims has affected “almost every sphere of Australian life”. While Australia’s engagement with Asia is deeper today than 10 years ago and a world apart from what it was 50 years ago, Sheridan certainly exaggerates the extent of the Asianization of Australian life.

Norwithstanding Australian Government statements about our place in the region, including the latest that we are an “East Asian hemispheric nation” and that we have been accepted by the other countries of the region, the percentage of Australians who identify themselves culturally, politically or psychologically with Asia (whatever that may be) remains a small minority. This should come as no surprise to anyone, given that Aus-
Australi is still fundamentally a Western nation whose Weltanschauung is determined by its Judeo-Christian background, as reflected in our respect for freedom of speech, religion and association, our deep commitment to democracy and our adherence to human rights. These are not principles to which most countries of Asia adhere.

If there is some confusion about Australia's integration in Asia it is mainly because the debate about our place and future in the region has been confused, confusing and ill-defined. While economic integration with the region is one thing — and it must continue, 'cultural' integration is quite another. Still, Sheridan attempts to tackle the thorny question of 'cultural' integration with the region, mainly in the context of how Australia can best enter into a dialogue with its neighbours on the issue of human rights, and concludes that the challenge is "to remain self-confidently true to our own culture and values while appreciating and productively interacting with the cultures of our neighbours, recognizing all the while that culture, while enduring, is not static". As the Australian Government knows, this is a difficult policy position to maintain and it often leads human rights activists to accuse the Federal Government of opportunism and of lacking principles.

If there has been a "revolution" it was in the scrapping of the 'White Australia' immigration policy and the taking in of an increasingly large number of migrants from Asia. But this was an evolutionary process which, as Sheridan admits, took off almost 25 years ago under Gough Whitlam and has picked up momentum under every subsequent Federal Government — although still today the immigration debate is a political minefield which politicians, regardless of their political hue, are generally reluctant to enter.

LANGUAGE GAP: In a chapter examining education, Kevin Rudd, a former diplomat posted in Beijing and until recently Director-General of the Queensland Cabinet Office, questions the Australian Government's commitment to becoming an Asian-literate economy and society in light of a recent Asian Studies Council report. According to the report, the proportion of Australian final-year school students studying a second language of any description has declined from almost 40 per cent to only 12.5 per cent in the last 25 years, and of this 12.5 per cent only 4 percent are studying an Asian language. Rudd believes that Australia has no alternative but to adopt the European model of compulsory second language education if it hopes to integrate better into the region. While this is a recommendation which should seriously be looked at, the mandatory learning of an Asian language would require bipartisan support at the Federal and State levels, not a likely development in the near future.

In a valuable contribution on commerce, Paul Barratt, Executive Director of the Business Council of Australia, suggests a policy framework to deal with the challenges and opportunities facing Australia as it engages more deeply with the region. He currently states that the overarching challenge facing Australia is to set in place policies which will allow us "to remain both one of the economic heavy-weights of the region and one of its highest income societies". Most of the suggestions are commonsense and drawn from the Business Council's recent report, Australia 2010: Creating the Future Australia. His advice, however, that the Australian Government should seriously consider a consumption tax, which would relieve Australian exporters from the cascading effect of indirect taxes, will fall on deaf ears among politicians — at least for the foreseeable future — regardless of its economic merits.

Michael O'Connor, Executive Director of the Australia Defence Association, reviews Australia's defence policies since Federation. He rejects perceptions in Asia that Australia's security planners have only recently 'discovered' the region, stressing instead that the region has been a factor in Australia's security considerations since early this century. In the context of discussing Australia's future security outlook, O'Connor writes that "if Australia is to win the cooperation of its regional neighbours in keeping conflict at a distance from Australia, we must show that we are prepared to contribute willingly ... our young men [to their security] as we expect Asians to commit theirs in our mutual defence". While Australia's strategic engagement with the region has advanced remarkably in the last few years, the bilateral relationships will need to mature significantly before any Australian Government could consider implementing the sort of defence policies which O'Connor is suggesting.

Foreign Minister Gareth Evans reviews Australia's important role in ensuring the success of the UN operation in Cambodia. Our deep involvement in the whole operation — from inception to end — demonstrates that
Australia's voice is heard in the region and that our diplomacy of persuasion counts for something among our Asian neighbours. It would have been useful, however, given our UN involvement, if the article had examined what Australia's role will be in assisting the Government of Cambodia to rebuild the country's institutions, including the armed forces. Until the terrorist Khmer Rouge, who continue to kidnap and murder innocent tourists — including Australian citizens — are brought under control, our success story in Cambodia will remain clouded.

In a discussion about cultural convergence, Sheridan supports Prime Minister Keating's statement that "no country is more important to Australia than Indonesia". He argues that were Indonesia to be confronted with a total political breakdown, this could be catastrophic for Australia. This is certainly true, but to elevate Indonesia to the top of our bilateral relations is to overstate the importance of that relationship and to understate the importance of our trade and defence relations with, for example, the US and Japan.

DEBATE AND LEARN: Professor Stephen FitzGerald of the Asia-Australia Institute at the University of New South Wales argues sensibly that if we are serious about being more integrated with the region we must first "debate and develop perspectives on what we want for Australian society 50 years hence; perspectives which are not cast in or determined only in economic terms". Second, we need to establish ourselves in forums with Asian countries for the shared discussion of the whole gamut of fundamental issues which determine societies, i.e., values, principles, beliefs, visions, morals, ethics and education. Third, we must educate ourselves about Asia. As he correctly states, how can we pass judgments about societies of which we know so little. He firmly believes that this education should start with politicians — "the only group in society which ignores — at least in respect of Asia — its own calls for lifelong education".

All in all this book is quite readable. Not surprisingly it doesn't provide many answers, but it does provide the reader with questions worth pondering. And while a concluding chapter bringing it all together would have left the reader with a clearer message, at the end of the day Sheridan has achieved his aim of moving forward the debate about our place in Asia.

Dr Rakisits, based in New York, is currently on leave from the Department of Foreign Affairs and Trade. The views expressed are those of the author and do not reflect the views of the Department.

FATHERS NEEDED

Bill Muehlenberg
Fatherless America: Confronting Our Most Urgent Social Problem
David Blankenhorn

Basic Books
(Available from Focus on the Family, PO Box 5210, Clayton 3168 for $30 plus $3.50 postage.)

THIRTY years ago American Senator Daniel Patrick Moynihan wrote a report called The Negro Family: The Case for National Action. In it he wrote these words: "The break-up of the black family is the single most important social fact of the United States today." The central insight of his report was that family stability should be the basis of social legislation. Said Moynihan, "A community that allows a large number of young men to grow up in broken families, dominated by women, never acquiring any stable relationship to male authority, never acquiring any set of rational expectations about the future — that community asks for and gets chaos."

Unfortunately his words went largely unheeded, and today the disintegration of the black family is nearly complete. Less than a third of all black children in America are born into a family where a father is present and, according to some projections, only six per cent of black children will live with both parents through age 18.

Social scientist Charles Murray has warned that white families are heading in the same direction, and we will soon see the emergence of a white underclass. "Illegitimacy," he warns, "is the single most important social problem of our time - more important than crime, drugs, poverty, illiteracy, welfare or homelessness because it drives everything else" (The Coming White Underclass, The Wall Street Journal, 29 October, 1993).

While Moynihan's words went unheeded 30 years ago, today most people accept his conclusions. Even President Clinton is now talking about the importance of marriage and the right of children to be born into a home with two parents.

But is it too late?

WELL-BEING AT STAKE: The disappearance of marriage and the collapse of fatherhood are admirably examined by David Blankenhorn in Fatherless America. The book is based on a wealth of statistical information, including the fact that "tonight, about 40 per cent of American children will go to sleep in homes in which their fathers do not live." (In Australia, the number of children who live in one-parent families totals over a million or 15 per cent of all children.) "Fatherlessness," argues Blankenhorn, "is the most harmful demographic trend of this generation." The primary results of this trend are "a decline in children's well-being and a rise in male violence, especially against women."
The problem is not just the absence of fathers, but "the absence of our belief in fathers." Recalling the findings of Margaret Mead and others that the supreme test of any civilization is whether it can socialize men by teaching them to be fathers, Blankenhorn traces the disappearance of the idea of fatherhood in contemporary culture, and the effects this has on our children and our society.

While he acknowledges that the so-called traditional family was not without problems, he sees the move to a fatherless society as a far greater dilemma. As fatherhood becomes devalued, decultured and deinstitutionalized, the problems associated with inner-city America will only compound themselves. We now know without question that the overwhelming generator of violence among young men is the fatherless family. There are now a multitude of studies available which make it perfectly clear that fatherlessness is the major factor in crime, more than race, poverty or any other social variable.

This affects every aspect of life. For example, a woman is more likely to be abused by a boyfriend, a de facto or a live-in than by a husband. The same is true of child sexual abuse. "What magnifies the risk of sexual abuse in children is not the presence of a married father but his absence." Again, a host of studies have clearly established this point. Here in Australia former Human Rights Commissioner Brian Burdekin recently stated that there is a 600 per cent greater risk of child sexual abuse from an unmarried, non-biological father, than from a married, biological one.

We now know without question that the overwhelming generator of violence among young men is the fatherless family.

With all these studies confirming the importance of marriage and the presence of fathers, one would hope that our political leaders would reaffirm our national commitment to marriage. The opposite is the case unfortunately. Australian society, like American society, is not intent on making sure marriage works, nor is it intent on making divorce less easy to obtain. Instead, it is in the process of deinstitutionalizing marriage and fatherhood. Instead of trying to reduce divorce, it seeks to make the process more co-operative and amicable. Divorce reform here and overseas means simply trying to involve fewer lawyers and more mediators. This may be better than conflict and litigation, but it does not deal with the real problem.

"Divorce is the problem. Pretending that better divorce is the solution amounts to little more than a way of easing our conscience as we lower our standards," says Blankenhorn.

"As fatherhood fragments, children's well-being declines. But children need some ephemeral hope called better divorce about as much as they need some lifeless reminder of their father called child support. Both, for children, are only slightly better than nothing. What children need is a father."

When anthropologist Bronislaw Malinowski said that "the father is indispensable for the full sociological status of the child as well as of its mother," he was stating a truth that is both simple and profound. Yet we live in a day when simplicity is spurned and profundity is not grasped. With no less than the Governor-General calling for same-sex-marriage and adoption rights, the need to restate the obvious is all the more urgent. As C.S. Lewis once said, "The process of living seems to consist in coming to realize truths so ancient and simple that, if stated, they sound like barren platitudes."

RE-CREATING FATHERHOOD: Blankenhorn concludes:

"The most urgent domestic challenge facing the United States at the close of the 20th century is the re-creation of fatherhood as a vital role for men. At stake is nothing less than the success of the American experiment. For unless we reverse the trend of fatherlessness, no other set of accomplishments — nor economic growth or prison construction or welfare reform or better schools — will succeed in arresting the decline of child well-being and the spread of male violence. To tolerate the trend of fatherlessness is to accept the inevitability of continued societal recession."

In the Australian context we can find this no better expressed than by Simon Leys of the University of Sydney who has recently written: "In the history of the civilized world, no substitute has ever been found for the family. Any society that allows it to disintegrate, or endeavours actively to destroy it (as we are now doing here) does it at its own horrific risks and costs."

Bill Muehlenberg is the National Secretary of the Australian Family Association.
ANCIENT QUARREL

Ronald Conway

Mining, Metallurgy and the Meaning of Life
by Roger Sworder
Quaker Hill Press, 1995
(Tel: (02) 625 6112)

THE author of this colourful account subtitles his work: “A Book of Stories showing the hidden roots of the great debate over mining and the environment”. This is just as well because the work shows the triumph of content over structure, the former quite admirable, the latter rather shaky. Sworder is Head of Humanities at the Bendigo Campus of La Trobe University and by all reports is a provocative and inspiring lecturer. His book has some of the arbitrary character of lectures woven together, with an epilogue on mining in the nuclear age added almost as an afterthought.

Still, the author offers us a penetrating view of two schools of thought about mining operations since ancient times. On the one hand mining was viewed by Ovid and Pliny, by medieval controversialists, by Wordsworth and today’s environmentalists, as little more than the needful rape of earth’s seamless fabric for human gain. The other more orthodox view is founded in the tradition of Christianity and Judaism, that God gave man lordship over the earth and the right to exploit its riches. In between, however, we might consider the subtler notion of stewardship, that the globe is not wholly ours to make or mar, but something to respect and conserve as well as develop. At the end, Sworder offers a reflection on the mining of radioactive substances. This has fashioned a Pandora’s box, the opening of which, since Los Alamos, has more than once threatened to destroy us all.

WORK: Essential to Sworder’s discussion is the sub-theme of work, which has been so much part of the elevation or degradation of human life for millennia. In these days of huge excavators and open-cut mining we experience little of the magic and the peril facing miners in past centuries who had only primitive tools and the raw courage of their bodies to sustain them. Gone too is the sense of direct contact in the shaping of stone and metals as builders experienced it only a few generations ago. The author does not advance his comments this far however. He confines himself to some great historic debates about materials, their purposes and the roles of those who employ them. He devotes a whole chapter to the symbol of the mine and the legends of those men and creatures — men, dragons, dwarfs, et al who have inhabited the underworld.

As befits a scholar with some Christian background, the author devotes his largest chapter to the biblical tradition. This extends from the concepts of God (and gods) as artificers held by Egyptians, Greeks and Hebrews to the Middle Ages where Abbot Suger of St Denis, the spiritual father of the Gothic building, was at odds with the austerity of St Bernard of Clairvaux. There is also a fascinating chapter on the Desacralization of Work which shows how Northern Europe in the latter half of the 18th century became the nub of a debate about the effects upon work and workers of the early Industrial Revolution. William Blake’s fiery complaints about the effect of “dark satanic mills” upon “England’s green and pleasant land” are well known. But Sworder shows how even the milder impact of Wordsworth and the Romantics, who retreated into nature rather than crusading against its despoilers, has continued to haunt the mining and forestry industries even to the present day.

The author puzzles over, but does not venture to pick a quarrel with the metaphysical embrace of the earth by Australia’s Aborigines. Prior to this generation, nobody worried much about the excavation of humanly unproductive desert regions for valuable metals. With a revived spirit of native religiosity (some of it sincere, some merely expedient) since the Abbe decision, this has become a different story. Sworder’s book is a valuable reminder that mining can no longer be regarded as the winning of a resource without regard to the contrary world view of those who now condemn the archaic understanding of Genesis. This has taught that humanity has the right to devour earth’s substance even for short-term gain.

A weakness of the author’s ‘stories’ is that he often strays from his title theme into a more general discussion of historic community beliefs. This is very noticeable in the chapter on the biblical tradition. Indeed, one cannot help comparing Sworder’s work with the more cohesive, locally pertinent account by Robert Raymond, Out of the Fiery Furnace (Macmillan 1985). Assuredly these two are very different books. Sworder prefers to deal with cultural resonances and intimations rather than giving us a continuous account. Yet some mention of the Chinese as the world’s earliest and greatest metallurgists up to Ming times would not have gone amiss.

For all its apparent discontinuities, this book still offers an excellent read. It reminds us that the quarrel between environmentalist and entrepreneur is not some recent fad, but a very ancient dispute. This is still a long way from being resolved.

Ronald Conway's most recent book is The Rage for Utopia (Allen and Unwin)
NEW EXECUTIVE DIRECTOR APPOINTED

Dr Mike Nahan, formerly Director of the IPA States' Policy Unit, has been appointed the new Executive Director of the IPA. He replaces John Hyde who, with Helen Hyde, is retiring from the IPA and returning to Perth after four-and-a-half years' service to the Institute.

Dr Nahan is a highly-skilled economist with experience, before he joined the IPA five years ago, in the Western Australian civil service and at various universities. His skills in the analysis of State finances and inter-governmental relations are widely recognized. His column 'Around the States' has appeared in IPA Review since 1990. Last year, he was the author of Myth and Reality in the Economic Reform Debate: An Assessment of the Performance of the States and the Commonwealth, and annually has published a comparative assessment of Commonwealth and State budgets.

On taking up his new position, Dr Nahan said that it was an honour to be heading an organization with such a long and distinguished history. He said that social change presented the IPA with significant new challenges: "New issues are entering the public debate and the IPA has to ensure that it responds to them. It needs to respond to them in a way which is true to its philosophy but which communicates effectively to younger age groups as well as older ones." Dr Nahan is married with two children.

IPA Chairman George Littlewood, on behalf of the Board, welcomed Mike Nahan and thanked John and Helen Hyde for their service to the Institute. "Both John and Helen have made an enormous contribution to the IPA," said Mr Littlewood. "During their four-and-a-half years at the IPA a number of important advances were made. Not the least of these were the establishment of the Full Employment Project and the creation of the Regulation Review Unit. Both of these initiatives were responses to serious economic and social problems facing Australia and both have attracted substantial support. Neither would have happened without John Hyde. He and Helen leave the Institute with the very best wishes of the IPA Board and staff.

With Mike Nahan's move to Melbourne, Tony Rutherford has been appointed head of the Perth Office and Director of the Federalism Project.

Other Personnel Changes

As one of a number of recent staff changes, Senior Fellow John Stone left the IPA at the end of September. A former Secretary of the Commonwealth Treasury, he was initially appointed a Senior Fellow in 1985 and left in 1987 to take up a seat in the Senate. He returned to the IPA in 1990. One of his roles in the last 12 months was to help oversee the Full Employment Project.

George Littlewood commented: "John Stone has a long-standing association with the IPA. He published an article in IPA Review as early as 1969. The Institute has benefited considerably from his authority as one of the country's leading economists. In his capacity as a Senior Fellow he has been a forceful and informed voice on issues central to our economic well-being."
Also departing the IPA are John Anson, Gay Eivers and Gabrielle Connell. Executive Director Mike Nahan, who worked with John Anson in Perth, said of him: “John undertook fundraising — never an easy task — with great cheerfulness and skill and with some notable successes.” Gay Eivers had been employed as a secretary in Perth and had been, said Dr Nahan, “a consistently capable and helpful presence,” as had Gabrielle Connell in Melbourne.

All at the IPA join in wishing John Stone, John Anson, Gay Eivers and Gabrielle Connell well for the future.

**Prosperity Reduces Risk**

From 1912 to 1993, deaths from unintentional injuries decreased by 57 per cent in the USA. This decline in accidents has occurred steadily throughout the century, long before the USA began its drive to reduce risk through government regulation, said Professor Kip Viscusi, keynote speaker at the Risk, Regulation and Responsibility conference in Sydney in mid-July. The decline, he said, was driven largely by the marketplace. The conference organized by the IPA and the Centre for Applied Economics at the ANU, attracted an audience of almost 200.

**Views from Overseas**

Recent economic and political changes in Eastern Europe were the subject of an IPA Dialogue in July, conducted by Jan Krzysztof Bielecki, a former Prime Minister of Poland, co-founder of the Liberal-Democratic Congress — a Polish party promoting pluralism and the free market — and now a Director of the European Bank for Reconstruction and Development in London.

At the end of August, Franklin Lavin spoke to the IPA about recent changes in US politics and their consequences for the western Pacific. Mr Lavin is the Executive Director of the Asia Pacific Policy Center in Washington. Previously he was Deputy Assistant Secretary for East Asia and the Pacific in the Bush Administration.

**New Role for Managers**

Australian managers must be adaptable and see the diversity of their workforce as a resource, according to David Karpin, who addressed the Essington Lewis Speakers’ Group in late July. Mr Karpin chaired the Australian Government’s Industry Taskforce on Leadership and Management Skills which this year published its report *Enterprising Nation*. He is also Group Executive — Economic Resources at CRA Limited. The occasion was hosted by Pasminco.

Local government councillors need to stop thinking that their role as the providers of services necessarily means that they must be the ones to deliver the services, said Eda Ritchie in describing to the Essington Lewis Group the reform of local government in Victoria. Competitive tendering and contracting out mean that council responsibilities are carried out with greater efficiency, increased customer focus and greater expertise than in the past, she said. Eda Ritchie is Chairman of Commissioners in the new Moyne Shire Council, formed as part of the restructure of local government in Victoria. She said that the IPAs publication *Reforming Local Government* had had an important influence in prompting reform.
Cross your heart and make a world of difference.

➕ Red Cross promises to help heal the world. Will you promise to help us? Will you cross your heart? ➕ We promise to help alleviate the pain and suffering of the most vulnerable. Will you promise to help us? Will you cross your heart? ➕ We promise to donate blood to those who need it. Will you promise to help us? Will you cross your heart? ➕ We promise to endeavour to re-unite families separated by disaster or conflict. Will you promise to help us? Will you cross your heart? ➕ We promise to assist the victims of bushfires and floods. Will you promise to help us? Will you cross your heart? ➕ We cross our heart. Will you cross yours to help us?

If you can give blood, a donation or your time, please call 1800 811 700.

➕ Australian Red Cross
The same harmony.
The same care and commitment.
The same seal of approval.

Esso An ongoing performance supporting the Arts.