Sprocket Man is a superhero produced by the US Consumer Product Safety Commission to provide bicycle safety information. In Sprocket Man’s comic we see the superhero become increasingly distressed—and oddly, disembodied—as he watches American children break every road rule they can think of.

The illustration is woeful, and encourages doubt about government support of the arts.

The Victorian Department of Sustainability and Environment has similarly created the Sustainables, a family of Superheroes—that live in Footscray, apparently—with no discernable Super Powers, unless you count an obsessive dedication to energy efficiency. The defining characteristic of, for example, Sam ‘Bags’ Sustainable is that he really likes cotton bags. ‘Hydra’ monitors water use, ‘Solaris’—the hip youth—can procure environmentally friendly appliances, and ‘Lemony’ cleans the house with lemon scented spray.

Of course, it is well-known that the Victorian Department of Sustainability and Environment has its fingers on the pulse of children’s pop culture, but, for sheer bizarre-ness, it cannot compete with a distressed and disembodied Sprocket Man.

Government edutainment campaigns like this have almost no feedback mechanism to indicate whether they have been successful—if rates of obesity in Australia go down, could it really be attributed to the likeability of the anthropomorphic armchair in the federal government’s Get Moving campaign? The result is a government-sponsored industry producing children’s publications whose only obvious value is kitsch.

Compare the thriving commercial children’s book industry with the stiffingly politically correct and utterly uncreative Sustainables. Even Captain Planet and the Planeteers, the Ted Turner-produced animated TV series with essentially the same environmentally-focused message as the Sustainables, displays far more creativity.

Followers of after-school television in the early 1990s can still lovingly recite the Captain Planet theme song and rap, and muse about the uselessness of the guy whose only power was ‘heart’. While the Planeteers were focused on defending the environment from eco-villains, they had felt no shame in ripping up rainforests with their powers of earth, fire, wind and water to ensure victory. It is unlikely that any bureaucratically produced enviro-heroes would display such pragmatism.

This edition of the IPA Review again covers a wide range of issues, many of more consequence than children’s entertainment. Alan Moran looks at the successes and failures of public transport, and urges governments to face up to the needs of consumers, rather than ideological preferences.

Ben Hourigan and Richard Allsop look at political campaigning in the twenty-first century—how should it be funded, and what should it focus on?

Ken Phillips visits a paradigm-shifting International Labour Organisation meeting which has implications for Australian labour law and the sanctity of commercial contracts across the world. Jennifer Marohasy identifies some endangered species that are actually endangered, and Tim Curtin urges environmental NGOs to check their facts before they impede development in Papua New Guinea.

Louise Staley looks at food labelling, and Hugh Tobin discovers why clubs really smell nowadays.

Peter Phelps notes that Americans are from Pluto, which perhaps helps us understand the International Astronomical Union’s decision to downgrade it to a ‘dwarf planet’.

And of course, our cover story, the 13 biggest mistakes in Australia, and their consequences.
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REVIEW

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John Gray, the British philosopher recently wrote in the
New Statesman:
In the history of ideas as in history as a whole, our view of
the past is prone to a kind of optical illusion in which we
mistake what is closest to us for the dominant feature of
the landscape.
He’s right. What he describes is related to the tendency which
assumes that because things are the way they are now, that
they have always been that way, and that they will continue
to be that way.
Economists understand this, and are notorious for warn-
ing against such thinking. The Australian economy hasn’t al-
ways boomed. (By definition) unemployment, inflation, and
interest rates haven’t always been at record low levels. A few
years ago Sydney was not only the country’s ‘international
city’. Its potential for growth was unlimited.
It was the city in which everyone (supposedly) wanted
to live. No longer. In August 2006 New South Wales had
the highest level of unemployment of the mainland states,
and its economy was in deficit. The resource-rich states of
Western Australian and Queensland were allegedly the ‘old
economy’.
A feature of the modern world is its emphasis on ‘forces’
and ‘movements’. There are ‘forces’ of globalisation and mar-
et liberalisation; and liberation movements, religious move-
ments, and environmental movements. Forces and move-
ments don’t take account of the acts of individuals. And
the reason for this is that viewing history as only forces and
movements is consistent with the Marxian and neo-Marxian
framework for the teaching of history. People are removed
from history and replaced with uncontrollable and unstop-
pable forces and movements.
The point of trying to establish that something is un-
controllable and unstoppable is that therefore it is inevita-
able—and the inevitability of communism is that ideology’s
main claim to fame. (This issue is the something that has
tended communist theorists some confusion. If communism
is inevitable, is there any point in agitating for it.)
Marx held that history was determined by class struggle.
Authors like Jared Diamond have argued that history is the
outcome of environmental factors. Others nominate techno-
logical change as the driver of history.
A consequence of all of these views is that history is only
forces and movements. Day-to-day politics doesn’t matter
and politicians are irrelevant.

Even a moment’s thought shows this not to be the case.
The history of the twentieth century is riddled with exam-
ples of individuals and small groups which pushed nations
back and forth, in and out of totalitarianism. The Bolshevik
revolution in 1917 was not caused by the grand sweep of
history, but a small group intent on constructing a state of
their choosing.
Focusing on forces and movements rather than the ac-
tions of individuals propelled by belief and intention doesn’t
assist in understanding modern politics. Political actors are
becoming more not less important.
The cover story of this edition of the IPA Review is in-
tended to be more than just interesting. It is intended to
demonstrate that politics matters.
All of Australia’s 13 biggest mistakes was the product of a
deliberate decision - sometimes by an individual, sometimes
by a group. Most often the people responsible for the deci-
sion were politicians. In every case an alternative was avail-
able. History could have been different.

The views of Louis XIV on Karl Marx have been lost to history.

From the Executive Director

John Roskam

IPA REVIEW

OCTOBER 2006
Dear editor:
I have for some time been aware of the ‘curious aspect’ of our national culture that Michael Evans mentions (IPA Review, July 2006)—the absence of a significant maritime tradition.

One reason, I believe, is that Australia was discovered and settled at the time of a great wave of scientific and technological advances. Captain Cook’s 1770 voyage had as one of its objectives observing the transit of Venus as an aid to navigation. Shortly after Australia was settled, steamships made sea-travel incomparably more safe, comfortable, routine and taken for granted. Hence there are few dramatic or heroic poems, songs or stories about shipwrecks, battles against storms and survival against the odds.

Tinned and refrigerated food, iron hulls and watertight compartments as well as constantly-improving engines and safety-features were among the things which soon made travel on the sea relatively ordinary.

Will Lawson’s poem ‘The Mails’ celebrates the regularity of a great mail-steamer. Ernest Favenc’s poem ‘Song of the Torres Strait Islands’ (beginning with the wonderful, rolling deep-sea line: ‘Bold Torres the sailor came and went, with his swarthy, storm-worn band …’) celebrates the ‘smoking funnels’ and mercantile house-flags of the steam-ships that finally defeated the reefs and shoals of the Torres Strait. Other poems (some are to be found in the old school anthology The Wide Brown Land) tend to celebrate the sea and ships in terms of traffic, commerce and wanderlust. These things do most surely have a romance and poetry of their own, but they are not quite the same as a sea-tradition.

There is, to be sure, a sea-consciousness at the back of The Magic Pudding, though those immortal seafarers Bill Barnacle and Sam Sawnoff are disillusioned with the sea and are tramping the rural Australian back-blocks by the time the story opens (‘For pirates go, but their next-of-kin/ are merchant captains, hard as sin/ and merchant mates, as hard as nails/ aboard of every ship that sails’ as Bill puts it).

When one looks closely, Australia does have some tradition of sea-writing, though sadly many of our best stories and poems of the sea are now out of print. Douglas Stewart wrote a notable play, Shipwreck, about Batavia’s Graveyard (illustrated by Lindsay, who of course loved drawing and painting gaudy pirates and mutineers). Michael Thwaites, John Blight, and more recently Lee Knowles are among distinguished Australian poets of the sea. Indeed I think an anthology of Australian sea-poems could be compiled a good deal better than the recent somewhat disappointingly precious anthology of British sea-poems compiled by Charles Causley.

There have been juvenile books such as Storm Boy. Other Australian sea-novels include Harpoon and Destroyers Will Rendezvous by W. Jamieson Brown, Beyond the River’s Mouth and Salt in Our Wounds, as well as the works of Robert S. Close, and a long series of Naval novels by J.E. MacDonnell. MacDonnell, who joined the RAN as a boy seaman and rose from the lower deck to gunnery Lieutenant, wrote with impressive expertise and his books were big sellers. The two memoirs of Naval life in peace and war by John Ross, Stormy Petrel and Lucky Ross, are finely-written, moving and exciting stories and deserve to be regarded as classics. Lucky Ross, published by Hesperian Books in Perth, is at least one still in print and I would warmly recommend it.

There may be political/economic reasons for the apparent absence of an Australian maritime cultural tradition, compared with a country such as Britain: high wages and other protectionist measures have for many decades made Australian-manned ships uncompetitive, and what work they had was mainly in Australian coastal trades. Hence there were relatively few Australian seafarers. Ships (even Australian-owned ships) belonged to ‘someone else’. During World War II, striking watersiders, seamen and other unionists frequently referred to ship-owners, rather than the Germans and Japanese, as ‘the Enemy’.

Unlike Britain, Australia has not had a long history of depending on its navy for survival in war. Although Labor at the beginning of the twentieth century agitated for a big Navy to keep the ‘yellow peril’ at bay, the political Left in Australia has seldom really felt at home with big-ship Navies, with Admirals, gold-braid, brass-bands on the quarter-deck, traditions, etc. In one of his bursts of mystic pseudo-psychoanalysis, Dr Jim Cairns bizarrely accused Australian conservatives of being unpatriotic and deriving psychological comfort from buying Naval ships designed in Britain and America. (However, his own government later approved a class of warships from Blohm and Voss, builders of that presumably more patriotically Australian vessel, the Bismarck.)

Hal G. P. Colebatch
Nedlands, Western Australia
Defending the cause of liberty during the Great Depression

Richard Evans

In October 1929, Sir Robert Gibson, chair of the Board of Directors of the Commonwealth Bank (the equivalent of the modern Reserve Bank) wrote to E.G. Theodore, Treasurer in the new Federal Labor Government. In the measured words of a mandarin, Gibson was informing Theodore of catastrophe:

For some very considerable time past the Board has viewed with much disquietude the general financial position more especially its aspect as regards the situation respecting the availability of Australian credits in London.

The magnitude of the economic disaster which swept the world in the early 1930s is well known, and that Australia was particularly badly affected is also commonplace. Our view of the Great Depression, however, is informed by hindsight. We know that the economy gradually recovered and that capitalism and liberal democracy survived. The fears people held at the time seem excessive, a collective hysteria. But this is unfair to those who lived through it, and who saw their world disintegrating.

The fear of civic collapse, was both understandable and justified, particularly in New South Wales. With such large numbers of people unemployed and tax receipts drastically cut, the State and its agencies were under such strain that the continued functioning of government was in real question. In his private communications, the Labor Premier of New South Wales, Jack Lang, made the finances of the State government sound like those of a struggling corner store. ‘My particular anxiety’, he wrote to the Federal Treasurer in December 1930, ‘is to find means of obtaining the necessary cash to carry on during the months of December and January’.

It was in this atmosphere of crisis that three works of Australian history of remarkable quality appeared in quick succession. These were W.K. Hancock’s Australia, Edward Shann’s An Economic History of Australia, both published in 1930, and F.W. Eggleston’s State Socialism in Victoria, published in 1932.

Major works of scholarship have a long lead time, so the appearance of these three works in the early years of the Depression cannot be attributed directly to that event. But what gave them particular power and resonance was that all three authors had, in different ways, identified a political, social and economic malaise in Australia. They all anticipated economic trouble, though none expected it to be as severe as it was. All three works, too, contributed to a soul-searching and reassessment of the nature and purpose of Australian democracy, politics and the institutions of government.

Such a reassessment was urgently needed. Australian society reacted to the Depression with confusion, anger...
and a search for someone to blame. ‘Something… must be done to prevent us finishing in the economic necropolis’, mused one writer, R.H. Milford, ‘true statesmanship and co-operation will achieve this; and the present party-system must be thrown away—root and branch’. These anti-democratic sentiments were widely shared. Essington Lewis, the general manager of BHP, wrote that ruling by democracy ‘seems of the day. One was the boosterism of ‘Australia Unlimited’, the idea that, despite poverty of soil and rainfall, the Australian continent could somehow support a new United States; the other was the addiction to protectionism.

Shann’s writing was witty, even elegant. He favoured the stiletto over the claymore. Consider, for example, his analysis of reckless borrowing for public works by colonial governments:

Hancock presented Australia as a society prone to excesses of alternating folly and disillusion

‘They were building, in haste and on credit, the nineteenth century equivalent of city walls’. Of the protected coastal shipping industry in his own time—then widely viewed as a source of national pride—he dryly noted: ‘As elsewhere in the Australian economy, the question presses whether the stable has been improved at the expense of the horses’ feed’. In 1932, F.W. Eggleston published his State Socialism in Victoria. It was an assessment from the inside—Eggleston had been a minister in a Victorian Liberal government—of the chequered path of State-owned enterprises in Victoria. He concluded that, overall, the experiment of state socialism had been a failure, but rejected a reactionary retreat to purist laissez-faire.

The failure of State-owned enterprises, despite some good ideas and the hard work of many conscientious public servants, he attributed to the interference of parochial and opportunistic politicians, and by extension to the ignorance and self-centeredness of the electorate. However, he recognised that the shock of the Depression had helped to change attitudes. ‘The truth is,’ he wrote, ‘that in economics, as on the cricket ground or battlefield, the Australian is careless in getting into difficulties, but magnificent in getting out of them’.

Eggleston appealed for an empirical mindset in public policy. He congratulated the experience of economic development, which demurred alike the excessive devotion to theory which blinds policy-makers to the lessons of experience, and the dull conservatism which rejects all experiment.

The most accessible of the three works, W.K. Hancock’s Australia, was published in 1930. As a dexterous thematic treatment of Australian history, it is probably still unsurpassed. Hancock was the generalist of the three writers; indeed, his history drew extensively from Shann(6,9),(997,993) and Eggleston. In Australia, Hancock succeeded in traversing the political, social, economic, intellectual, environmental and artistic aspects of Australian development without losing focus or narrative drive.

Hancock presented Australia as a society prone to excesses of alternating folly and disillusion. He used water as a case study. The drought of the 1880s caused a government-backed search for artesian water which proved extraordinarily successful. ‘The doubters were confounded’, Hancock wrote:

and men far away in comfortable cities dreamed of irrigation and agriculture in Australia’s arid regions. The optimists began to preach, with the fervour of a tyrannical patriotism, their strange gospel of ‘Australia Unlimited’. The result of such excitement, in this case as in many others, was the criminal waste of a precious resource, only brought in check by undeniable signs of its approaching exhaustion.

Hancock lamented the Australian pattern of unrealistic hopes of development which led to the destruction of what resources did exist. The ill-judged clearance of valuable forest to create unviable farmland and the ill-treatment of Australia’s rivers are other examples he gave of folly punished.

Hancock was at his best in his assessment of Australian politics, which
he divided between the Labor Party and the ‘Parties of Resistance’. He identified the main problem facing Labor as the need to balance the idealism of core supporters with the pragmatic concerns of a wider electorate. The non-Labor parties—the Nationalists were the most important at the time—he saw as inchoate, devoid of ideas and identity, so anxious to keep Labor out of office that they would, if need be, adopt most of Labor’s policies to do so. ‘If Labor dare not practise socialism’, he wrote, ‘the Nationalist party dare not even profess individualism’. Its leaders paid scant regard to the party platform, which in any case was ambiguous and vague, and pragmatically adopted whatever regulative and interventionist mechanism seemed popular. ‘In this atmosphere’, Hancock wrote, ‘strenuous old-fashioned individualism mopes and pines like a pelican in the wilderness’.

Hancock saw Australia as a society damaged alike by credulous idealism and credulous cynicism. The result was a lack of faith in the character and ability of people to manage their own affairs, and a deep-seated distrust of governments which were, nonetheless, expected to solve every problem. He also recognised that the Australian commitment to a ‘fair go’ had pernicious effects. The Australian polity, he wrote: ‘is properly anxious that everybody should run a fair race. It is improperly resentful if anyone runs a fast race’. The most damaging symptom of this jaundiced democracy he saw as protectionism.

Protection in Australia has been more than a policy; it has been a faith and a dogma. Its critics [have] dwindled into a despised and detested sect suspected of nursing an anti-national heresy. The dogma of protectionism, of course, survived the shock of the Depression. This was perhaps inevitable. The United Australia Party, which took office federally in 1931 and in New South Wales the following year, was historically important. It represented an emergency coalition, a mainstream conservative with a sufficiently broad electoral base to restore political and economic stability in a time of deep crisis. It can in no way, however, be described as a visionary party.

Prime Minister Joe Lyons and New South Wales Premier Bertram Stevens were leaders of the sort Manning Clark derided as having the ‘virtues of receivers in bankruptcy’. But there is something to be said for such virtues, particularly when the State is very nearly bankrupt. Lyons and Stevens were honest and diligent, and succeeded in restoring confidence in the key institutions of the state. Unfortunately, as the 1930s unfolded, the UAP became ever more wedded to a reflexive protectionism which extended well beyond economics to popular culture and intellectual life.

But if the intellectual flowering of which the works of Shann, Eggleston and Hancock were part did not have as great an influence as might have been hoped, the significance of their contribution to Australian conservative thought deserves recognition. More than that: many of their major arguments have contemporary relevance.

Conservatism in Australia now exhibits many of the vices which Hancock and his colleagues identified in the 1920s. The political dominance of the federal Liberal Party has helped obscure this malaise, indeed has contributed to it. Core tenets of liberalism and conservatism are breezily disregarded, replaced by cynical populism.

Conservatism emphasises the prudent management of finance; our government squanders the public money on transparently political advertising and middle-class welfare. Liberalism emphasises the freedom of the individual; our government intervenes in seemingly every social problem, from drug addiction to the birth-rate and childhood obesity. Conservatism values federalism; our government draws ever more power, not just to Canberra but into the hands of individual ministers. Liberalism values civil society and participatory democracy; our governing party has a tiny membership, rigid discipline and an internal democracy which is a sober farce. Conservatism is opposed to needless bureaucracy; our government deregulates the workplace by adding yet another tangled layer of regulation. Above all, conservatism values honour and integrity; our government lives by the post-modernist notion that truth is whatever opinion polls say it is.

Against this background, it is timely to consider again Eggleston’s appeal for public policy based on long-term thinking, implemented by public agencies which are adequately resourced and sufficiently independent that political interference is minimised. Timely, too, is Hancock’s warning against smug self-satisfaction and the naïve faith that good economic times will endure forever. Most important, perhaps, is Shann’s recognition that protectionism was culturally as well as economically damaging.

The more the policy of hermit Australia succeeded, the more surely would it bring slothful intellectual standards, and, as a consequence, material decay. What is needed is an urgent reappraisal of liberal and conservative values, underpinned by a genuine commitment to intellectual inquiry and fair debate, rather than the bullying and abuse which have become fashionable. A renewed commitment to historical inquiry—real history, not the recycling of comforting myths—is an important part of this process. As the American historian Joseph Buttinger observed: ‘Although it is true that man’s capacity to learn from history is negligible, ignorance … has certainly been no asset’.
When US journalist Lincoln Steffens returned from Russia in 1921, he famously declared 'I have seen the future and it works'. As we now know, the future that did actually work was not the socialism he admired but free enterprise and consumer sovereignty. Transport and urban planning generally is the last redoubt of the socialism much admired by yesteryear's elites.

As to what actually works in the future, then and today, this is best observed in the US itself. In the case of urban change and the transport needs this brings, the US remains the best guide, in part because it tends to have multiple jurisdictions that both learn from each other and are somewhat in competition. If one city departs from allowing genuine consumer needs to be fulfilled, it faces competition from others that are more responsive to the needs of consumers, workers and commerce.

The pattern of transport in the US reveals a sharply declining share of public transport within the overall transport market. In terms of car versus transit, the following illustrates this.

Since the 1960s, mass transit has dropped from a previously minuscule 3 per cent share to 1 per cent of the market. The dramatic loss of business by transit is reflected in its increased costs. Notwithstanding energy crises and taxes, the cost of moving people by transit, relative to cars, has vastly increased. Back in 1960, both modes cost about the same at a little over 20

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<th>Year</th>
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<tr>
<td>1960</td>
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<td>1980</td>
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<td>2000</td>
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<td>2002</td>
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Source: Demographia

Alan Moran is Director, Deregulation Unit at the Institute of Public Affairs.
cents per person mile. Car travel has remained at about that level but transit costs have risen to 95 cents per person mile—four-and-a-half times the cost of car travel.

**Trends in Melbourne**

Melbourne has shown comparable trends. Data on the Demographia site (www.demographia.com) show that Melbourne is one of only three cities from 100 around the world with recently increased shares for transit (in all three cases the increases were minuscule). But over the past half century, public transport as a share of passenger trips in Melbourne has fallen from 57 per cent to about 8 per cent.

In the process, public transport has moved from turning a modest profit to being subsidised to the tune of about 80 per cent of overall costs.

The Government says it is to roll back this long-term trend of patronage loss by public transport. It wants to see public transport providing 20 per cent of all motorised trips by 2020.

*Melbourne 2030’s ambitious goal for shifting mode choice across the metropolitan area between 1995 and 2020 involves the following:*  
- Car use is intended to decrease from 74 per cent of all trips to roughly 60 per cent;  
- Public transport use is intended to increase from 7 per cent of all trips to roughly 15 per cent;  
- Walking and cycling are intended to increase from 19 per cent of all trips to roughly 25 per cent.

Such a reversal of previous trends would be unprecedented in any country in the world. Even icon cities such as Portland, which have implemented tough anti-parking restraints and spent a fortune on light rail, have seen transit patronage grow by less than a percentage point.

Undeterred, to approach its goals, the Government has set out a Plan (*Meeting our transport challenges*). Over the coming decade, this allocates for Melbourne some $6,035 million for transit and $2,155 million for roads.

Thus, the car, comprising 92 per cent of the motorised market and contributing a massive net revenue in taxation, is to be outspent almost 3:1 by transit which currently has 8 per cent of the market and in the widely optimistic forecast of The Plan might have 15 per cent.

**Transit’s Ability to Meet Consumers’ Needs**

In spite of public transport benefiting from massive subsidies, the coverage of its ability to carry people to their destinations quickly is highly restricted. Add to this the convenience in leaving home/work when you wish, and comfort, and the task confronting transit becomes colossal.

The problem is graphically demonstrated by the Government in the following map of the accessibility of jobs in Melbourne by car and transit. (see page 10) The map is designed as ammunition for those seeking to boost transit spending, but actually it merely shows the enormity, the impossibility, of the task of forcing more people off cars and on to transit. A casual examination of the dark and light areas illustrates the magnitude of the task in reversing the on-going trend away from transit uses.

Compared to public transport, people find cars to be more convenient and lower cost. Importantly, transit finds itself on the wrong side of history. It can only operate effectively in urban conditions and only really effectively in urban areas with high densities and concentrated origin and destination points. A rule of thumb is that, to be commercially viable, rail-based systems require 40,000 people per square kilometre and express bus systems 25,000. Melbourne has an average density of 1,500 and reaches a maximum of 5,500 only in the densest suburb.

Transit’s disadvantages are compounded by the changing nature of cities themselves. Less than 50 years ago,
55 per cent of Melbourne’s jobs were in the central area. Today, it is 28 per cent and only 10 per cent work in the area we call the Central Business District. Work locations, which were once dictated by the availability of mass transit and tended to be located in the central areas of the city, are now becoming far more dispersed. This is partly due to the nature of work itself—far more is undertaken at diffuse locations because of a reduction in factory sizes, telecommunications advances and a shift towards services that do not require traditional employee concentrations. It also reflects people’s preferences—a great many people, even those with access to free transit travel, choose to use their cars because they are more convenient.

Transport as a Service
Transport is a derived demand. In other words, not many people get in their car or hop on a tram just for the pleasure of doing so. People use transport to get from A to B. They wish to do so as quickly as possible with constraints on price and comfort, etc. This did not appear to have been a priority for the Victorian Government that identified problems of transport in *Melbourne 2030*, which instead focused on equity, pollution and the like.

The root cause of any transport problems we have is this determination to give people what the government and certain elites think is good for them rather than what they themselves want. Such arrogant dismissal of people’s own preferences is an endemic problem with urban planning. We can see the same philosophy in the rationing of land (under the guise of zoning) that artificially raises the cost of housing on the periphery and, as a result, throughout the conurbation. In part this policy is motivated by a desire to ensure that cities are more compact and therefore susceptible to public transport. In part it is to bring about

The minority who do not have a car is paraded as a rationale for the vast reallocation of taxes towards transit.
a density that is thought to be necessary to foster the positive externalities of the city—patronage to allow for lively restaurants, theatre and cinema.

In some cases this is a nostalgia for a bygone age which may never really have existed. The teeming city that was nineteenth-century Paris, London, Vienna or even New York and Melbourne has passed into history. It has done so because few wanted to live within it given the choice. And transport innovations gave people that choice. The cities we now think of with affection are highly concentrated shells of leisure and shopping services. In many cases they incorporate a sort of Disneyesque preservation of the more attractive parts of their historic architecture and sometimes this is superimposed on on-going office employment. Nobody would dream of setting up heavy industry or transport-intensive services in these cores.

Attaining and delivering the full suite of services that the concentrated core once delivered is impossible. Attempting to reach that goal will be costly and could throttle the city as a commercial entity.

The policy of re-creating a version of the compact city is foundering on the shoals of what people actually want. Given the choice, most people want to live in their own detached home with some land attached to it. They are less enamoured than the elites about living close to the centre. And almost everyone now owns, or has access to, a car—most families have at least two. (In Palo Alto, the capital of the world’s IT industry, the main shopping centre is not served by transit and there is not even a taxi rank.)

Even so, the minority who do not have a car or access to one is paraded as a rationale for the vast reallocation of taxes towards transit and away from improving the carrying capacity and efficiency of the road system.

What is to be done?
The transport task is to seek out needs and adapt the city to them. This remains an anathema to many, just as it was when De Gaulle declared in the 1960s that Paris must adapt to the car. De Gaulle recognised that for Paris to remain a major commercial, administrative and cultural centre it needed to develop beyond being a mere relic of the past. To some degree this was successful, but Paris, for all its attractions, has become a shell of several hundred thousand people surrounded by apartments and urban developments similar to those found throughout the world.

For Australian cities such as Melbourne, Sydney and the other three major capitals with cores that provide a concentrated location for office work and leisure activities, there will remain a role for transit. Rail and bus services remain efficient means of getting large numbers into the sort of CBD that major Australian capital cities have and should continue to have.

For the main part, however, cities should adapt to the car and the truck. Road systems are far and away more important than fixed track systems, and buses can make good use of them. Given Melbourne’s topography and road systems, trams work well, but their intrinsic high costs and inflexibility are the reasons why Melbourne is one of only a handful of world cities retaining them other than as bit players and for tourism reasons.

The greater task of transport of people and freight alike must be by private cars and trucks. It is therefore vital that the road system be upgraded to keep pace with the demand for car transportation, consistent with the cost effectiveness of this.

At its most fundamental, this conforms to the wishes of the individuals who comprise the community, wishes that are expressed in their transport choices. At its more mundane, it means governments should simply maintain and develop the roads by which prosperity is maintained. What needs to be avoided at all cost is a repetition of policies like those of the Cain Government which were deliberately designed to reduce the efficiency of expressways (the South East ‘Arterial’ was so named and designed to appease transport unions who resisted greater patronage by cars).

All this means that inevitable revisions of Melbourne 2030 must progressively wind back the ratio of road to transit expenditure. The most favourable car to transit ratio that can be reasonably expected is about 12:1. Even excluding the operational deficits of transit, the proposals in the Victorian Government’s Plan, Meeting our transport challenges, has transit expenditures threefold those on roads. This is a vast waste of taxes and needs to be brought into line with the underlying demand for transport services.

Governments should simply maintain and develop the roads by which prosperity is maintained.
The old adage is that money is the root of all evil, and common wisdom holds that nowhere is this more true than in election campaigns. All sides of politics share a fear of governments held hostage to wealthy individuals or organisations that use donations to buy influence. Efforts must be made to make the role money plays in election campaigns transparent, but as we do so we must remember that the right to spend in politics is also a right to speak. However bizarre or self-interested their motives, individuals’ freedom to support the political causes they favour must be our highest concern when we consider campaign finance regulation.

In July this year, a scandal linking campaign finance and corruption rocked British politics. The UK’s two most influential political parties, Labour and the Conservatives, were drowning in astonishing debts. The Tories owed £18.1 million, Labour £20.9 million. On Labour’s side, allegations arose that the party had effectively been selling peerages to wealthy private donors. Spectacularly, Scotland Yard arrested Lord Levy, Labour’s major fund-raiser, in its investigation into the matter, releasing him without charge. The ‘cash for honours’ affair has led to calls for more regulation of party funding in the UK. Labour MP Jack Straw has called for caps on party spending, Tory leader David Cameron has supported the introduction of a £50,000 cap on donations from individuals and organisations, and new regulations will come into effect on 11 September 2006 requiring parties to report regulated transactions to the Electoral Commission within 30 days.

The UK faces dire problems with respect to party finance: its leading political organisations are spending beyond their means in extravagant election campaigns, and its government stands accused of selling favours to wealthy patrons. Yet will capping spending and obliging parties to disclose donations and loans decisively prevent corruption?

Bucking the trend to favour disclosure, Ian Ayres of the Yale Law School has proposed that donors ought to be forced to remain anonymous. Ayres notes that in the United States ‘there...
is no legal prohibition against selling access … and today’s jaded citizenry rarely imposes any electoral punishment on candidates known to have sold political access’. Making information about political donations available to the public, then, will ‘deter only the most egregious and express types of influence peddling’.

Just as the secret ballot makes it difficult for candidates to buy votes, so Ayres calls for the institution of a ‘donation booth,’ a system of blind trusts that would channel money from donors to candidates and parties without letting the recipients know who had given to them. Donations could not buy favours, access or influence, Ayres argues, if parties and candidates could never really know who had given what.

At first glance, the idea is simple and compelling. Yet Kenneth R. Mayer of the University of Wisconsin, Madison, raises strong objections in a reply article which calls Ayres’ mandatory anonymity proposal ‘a remarkably bad idea’. ‘A blind trust’, he points out, ‘would require the government to prohibit the release of donation records, which would create an astonishing and unprecedented category of state secret, with the government forced to apply sanctions to anyone who chooses to reveal it’.

More importantly, Mayer argues that mandatory anonymity of donors ‘would have the effect of driving valuable information out of the electoral arena’. Being able to quickly identify a candidate’s supporters can allow ‘otherwise unsophisticated and uninformed voters to act rationally’, since ‘a group’s willingness to commit its resources to a candidate is an unambiguous signal of where it stands’, and potentially of where a party or candidate stands itself. Information about who donates is also valuable to parties and candidates, giving them feedback about what portions of society support their policies and who does not. It also allows them to pre-empt the appearance of improperly favouring donors. Taking information out of any field is unlikely to be beneficial: modern management theory puts free information flow within and around businesses as one of the central factors in business success, and free-market economics values the price-mechanism so highly because it transmits information that allows individuals to make decisions that contribute to an optimal overall allocation of the world’s scarce natural and human resources. We should not presume that campaign finance is a field where information is any less vital.

Writing just before the 2004 federal election in Australia, Dr Andrew Leigh offered Ayres’ proposal to the Australian public in the Sydney Morning Herald, and introduced another consideration into the debate about the donation booth idea. ‘The advantage of blind trusts over reforms such as pure public funding or strict ceilings on donations is that they encourage people to put money into politics’, he writes, and ‘with Telstra’s advertising spending this year likely to exceed that of all political parties combined, there is a good argument that there is too little money in Australian politics, not too much. The challenge is to break the link between donations and favours’.

Given Mayer’s criticisms of the donation booth idea, mandatory anonymity of political donors may not be an ideal protection against corruption. Could campaign expenditure limits and public campaign funding prove valuable additions or alternatives to regimes of anonymity or disclosure?

Public Funding and Expenditure Limits
In Australia, political parties receive at least 4 per cent of the vote are currently entitled to approximately $2.05 for each vote they receive at a Federal election. The States have their own varying funding regimes. For the 2004 Federal election in Australia, the rate was approximately $1.94: political parties received a total of around $41.9 million in funding after the election, around $18 million going to the Liberals, around $16.7 million to Labor. Election campaigns in the UK are not publicly funded. If British political parties could receive similar levels of funding to their Australian counterparts, they could have substantially reduced their dependence on loans carrying with them the possibility that party officials would bestow favours upon their creditors. But without limits on campaign spending, writes Elizabeth Sexton, ‘Australian parties spend “vastly more” on campaign advertising than their counterparts in comparable countries’.

In his 2003 review of Australian campaign finance law, Graeme Orr saw
political parties ‘locked into an escalating advertising war which needs to be moderated’, and that ‘the attention and affection of party apparatchiks have turned away from individual members and towards corporate donors’. He called for increased public funding of elections, tied to limits on campaign expenditure. There are strong arguments against his recommendation. $41.9 million of public funding given to parties participating in the 2004 election made up just a minuscule amount of around $190 billion spent by the Federal Government in 2004–05. Yet the income of ordinary Australians already dies a death of a thousand cuts at the hands of myriad government programmes that must all be funded by taxation. Governments ought not spend unless the public interest positively demands it. To make public funding of election campaigns more defensible, nations might allow taxpayers to indicate on their returns, as they do in the US, whether they choose to contribute to public funding of campaign expenses.

Against the second element of Orr’s recommendations, expenditure limits restrict speech: in Buckley v. Valeo in 1976, the US Supreme Court found spending limits violated citizens’ First Amendment rights to freedom of expression. While there are no such constitutional barriers to expenditure limits in Australia or the UK, the US judgement ought to make us wary of the effects that expenditure limits could have on our political cultures. In his book on campaign finance reform, Unfree Speech, Bradley A. Smith asks us to imagine a world where all campaign expenditure was banned. There, only figures who already enjoy public recognition—celebrities, business and community leaders—would be viable candidates for office, since no-one could buy media access to build a reputation in a campaign. In the real world, the influence of prior public recognition on fund-raising and voting makes it easier for those already elected to stay in office where donation or expenditure limits restrict parties and candidates’ ability to raise money. Indeed, donation limits introduced in the US by the 1974 Federal Election Campaign Act amendments increased incumbents’ re-election rates along with their edge in fund-raising, disadvantaging newcomers to the political arena.

Finally, the current predicament of the major parties in the UK is a good chance for them to learn some lessons in financial responsibility. If political campaigns have become too extravagant, causing spending to reach unsustainable levels, our political leaders must simply exercise some restraint, as indeed they must when managing government spending. Public funding for elections would shield the parties from shoudering their own financial obligations, making taxpayers finance their excesses.

Corruption and Influence

If we reject mandatory donor anonymity, public funding (where it does not already exist), and expenditure limits, what alternatives are available to us to minimise corruption associated with campaign finance? Our fallback is mandatory disclosure, already a feature of campaign finance regulation throughout the English-speaking, democratic world. The existence of debate around campaign finance regulation signals that there is no consensus that disclosure alone protects adequately against corruption. Yet is it really the case that corruption and the appearance of corruption is a genuine problem in the Anglophone democracies?

At the heart of all efforts to regulate campaign finance is the concern that our elected representatives’ powers can be bought by rich individuals and organisations, stripping ordinary people of their say in politics. We might feel that the influence of the wealthy on election campaigns is undue, unmerited, since universal suffrage is meant to give every person in a democracy an equal say in how their government will be constituted. Yet from the beginning, we must be aware that equal voting rights do not and cannot equalise our political influence. Quite apart from any ability they may have to donate money to political causes, individuals may give their time and energy, and may band together to form parties or advocacy groups that exert considerable influence on policy-making and on the outcome of elections. Anyone who makes a strong commitment to political life raises their level of influence, as their input sways the votes of others. We could never equalise individuals’ political influence without destroying their freedoms of political speech and action.

Clearly, there are instances where politicians’ favour can be bought, or appear to be. The cash-for-honours scandal is a case in point. In the British example, the integrity of the na-
Nations might allow taxpayers to indicate on their tax returns, as they do in the US, whether they choose to contribute to public funding of campaign expenses.

...tion's system of honours appears to have been compromised, making wealth and not merit the prerequisite for a peerage. The appearance of corruption in situations like these is potentially devastating to the public's trust in their political leaders.

A far greater concern is that large individual or corporate donors could influence government policy, linking their financial support to expectations that a party or candidate will grant them or their industry subsidies, tariffs on competing imports, tax breaks, exemptions from environmental regulations, or changes to industrial relations laws. Yet donors may simply choose to support those candidates and parties whose policies already accord with their interests. If we fear the influence that wealthy businesses might have on government policy, our best defence is to develop a political culture where all parties' vision is of a government that leaves people free to act, and information to circulate, we must also tolerate small, occasional acts of apparent corruption, upon which voters will cast their judgement when brought to light. Donors should be free to support parties and candidates at as high a level as they wish, and parties and candidates should be free to use funds to buy as many avenues for political speech as they wish. We should abandon public election funding, allowing market forces to determine how modest or extravagant political parties make their campaigns. If parties sink into unbearable levels of debt, we must let that send the message to voters that their nation's political class has a problem with limiting their spending.

A choice to limit and simplify campaign finance regulations, or to pile them on top of each other as we close loophole after loophole, tells us something about what values our society holds. In the United States, where a great amount of debate occurs about campaign finance regulation, questions about campaign finance regulation are often articulated within the legal question of whether or not they violate individuals' First Amendment rights to speak freely. In countries without such strong constitutional protection, such as the UK and Australia, these questions are not legal, but philosophical. Do we, in election campaigning, value highly the rights of individuals and groups to speak freely on political issues and to support candidates as they choose? Or do we prefer to curtail those rights in the interests of limiting inequalities of influence on the electoral process? This is the old conflict between individualism and collectivism, and it is one that must be decided in favour of people's rights to speak and to spend as they wish.
Modern campaigning and the federal system

Richard Allsop

Received a newsletter from your local Federal MP lately? If you have, it was probably full of the MP’s ‘achievements’ in delivering grants to local State schools and funding for local roads. Perhaps it also offered you the chance to complete a survey on crime in the local community. Now you probably thought that these were all matters that fell within the responsibility of your State, rather than Federal, MP, so you may have been a little surprised. Why are Federal MPs taking such an interest in State matters?

Of course, the relationship between the Commonwealth and the States has been a topic of endless debate since 1901. For most of that time it has been relatively easy to pick which side of the political divide centralists or federalists would be on—centralists on the Labor side and federalists on the liberal/conservative side.

There has always been a natural tendency for both liberals and conservatives to favour federalism over centralism. Greg Craven summed this position up succinctly:

Balanced power, contained government, local control of local affairs and respect of regional difference: there hardly could be a governmental creed more palatable to conservative tastes.

And yet the Howard Government has confounded the stereotypes. Craven himself laments the fact that ‘the Howard Government is spitting out Australian federalism like so much constitutional gristle’. The Prime Minister’s biographers, Peter van Onselen and Wayne Errington, commented in 2005 that Howard Government ministers were full of ‘bright ideas’ that ‘trample all over the principles of federalism’.

So what is driving the Howard Government’s increased centralism? An apologist might argue that it is a genuine desire to fix some of Australia’s most pressing problems. A cynic might claim that all politicians have an in-built tendency to seek extra power and control wherever they can.

There is, however, another important force behind this trend of federal incursion into the traditional areas of State responsibility in Australia’s Federation.

The dictates of modern campaigning

Whereas campaigning used to be largely confined, for most MPs, to the five or six weeks of the campaign, now it is a continuous process.

A key cause of this continuous campaigning has been the vastly increased communications resources provided to MPs. At the same time that technology is making the production of material much easier, Federal MPs are also receiving large increases in their printing and postage budgets which enable them to produce regular newsletters and information bulletins during each parliamentary term. In any given financial year, the total possible expenditure by all Federal Members on these printing, stationery and communications allowances is more than $25 million. Add to this the resources provided by the public funding of election campaigns and MPs have almost limitless scope for the production of material.

All these newsletters, bulletins and pamphlets need to be filled. It has become campaigning holy writ that communications with the electorate should be localised as much as possible. Hence, there is a huge demand from Federal MPs themselves and from Party Secretariats to give Members opportunities to provide funding to key parts of their electorate’s infrastructure, such as State schools and roads.

It was clear to the Founding Fathers that school education should remain the responsibility of the States which, as colonies, had adopted the mantra of free, compulsory and secular education. The government-run school system operated in tandem with a self-supporting private school sector, largely funded by churches. Thus the situation remained until the lead-up to the 1963 Federal Election, when Robert Menzies announced that the Commonwealth would provide funding to build science blocks at Catholic schools. Although Catholic schools were no doubt among the most needy in the community, it is hard to escape the conclusion that Menzies’ policy was driven more by a desire to lock in Democratic Labor Party preferences than a desire to address that hardship.

By 1967, the Bolte Government in Victoria was providing State Government funding for private schools but, unfortunately, this did not make the Commonwealth consider departing the sector. Through a series of steps and an endorsement by the High Court in 1981, it became the de facto position that the Commonwealth provided the bulk of government funds to private schools, while the States continued their traditional role as the funders of the State school system.

The trouble with that position

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was that it meant Federal MPs had no business with some of the key institutions in their electorates. While people may work and socialise well away from home, most children attend the local government school, particularly at primary level.

The current Federal Government’s answer is the Investing in Our Schools programme, under which all schools, regardless of their needs, can qualify for up to $150,000 of Federal Government money. Interestingly, a condition of funding is that schools which receive funding under the programme have to invite a Coalition politician to the official opening of any new facility.

Hence, Joanna Gash, Member for Gilmore, widely regarded as one of the Government’s most effective campaigners, recently had as the lead item on her Website:

Havenlee School in Nowra has received $34,000 under the Australian Government’s Investing In Our Schools program for a Liberty Swing.

Her constituents may well be a little confused when, elsewhere on the Website, Gash lists ‘Schools & Education’ as a State Government responsibility.

Unlike State schools, roads are a policy area where all three tiers of government have traditionally had a role. However, once again the Howard Government has clearly shifted the emphasis of the Commonwealth’s involvement. The Whitlam Government accepted full Commonwealth responsibility for the national highway system in 1974 and subsequent governments have also adopted other road funding programmes.

While the Howard Government has significantly increased overall road funding, it has done so not by increasing funds to the national highway, but by funding other priorities. It has funded ‘Roads of National Importance’, reintroduced a black spot programme and most significantly introduced ‘Roads to Recovery’, a programme that provides funds for local roads in addition to the identified local road grants paid under the Local Government (Financial Assistance) Act. The result is that the majority of Government MPs, particularly those in outer urban or regional locations, have ample opportunity to associate themselves with road projects in their electorates.

An MP can do many useful things in a local community, such as helping clean the local park, without spending taxpayer dollars.

In turn, the Commonwealth’s growing role in the funding of road projects has produced demands from the rail lobby that the Federal Government take a similar approach to the nation’s railways. Commonwealth involvement in rail is not new, beginning with the Commonwealth Railways establishment in 1912 and expanded by the Whitlam Government in 1975. As in roads, historically the Commonwealth has mainly focused on interstate rail.

However, the funding of urban roads projects has raised questions about why the Federal Government is not funding urban public transport. A House of Representatives Committee considered this issue and supported Commonwealth involvement. The Committee recommended a holistic approach (a Sustainability Commission to reward State Governments for reaching sustainability benchmarks such as moving commuters from cars to public transport) as opposed to funding specific pieces of infrastructure. Federal MPs would no doubt rather see their names associated with particular pieces of mass transit infrastructure. To avoid either scenario, it would surely be better for the Federal Government not to become involved at all.

The perceived need to localise public policy areas is well illustrated by another current hot topic, water. The big Federal dollars have been put into large scale programmes, such as rehabilitating the Murray-Darling Basin. This programme does cross State boundaries and thus seems a reasonable area for Commonwealth action. However, there is also a programme of Community Water Grants that is designed to provide a total of $200 million over five years (out of a total water budget of $2 billion), to help communities play a ‘positive role in tackling Australia’s water challenge’ and deliver ‘practical on-the-ground projects’. This programme is clearly designed to be put to good use by Coalition MPs.

Like Joanna Gash, Dana Vale has a reputation as an outstanding local campaigner. She recently publicised the water grants programme, urging community organisations in the Sutherland Shire to apply for grants in the second round and listing five examples of grants from the first round of the programme, all between $15,000 to $50,000, and spread throughout the local community.

More than just federalism: other dangers from centralist campaigning strategies
As well as the obvious blurring of lines of accountability and the potential significant waste of taxpayers’ money, there are other problems that flow from this ever-increasing involvement of the Commonwealth in what were previously solely State areas.

First, it makes incumbency more important. At recent elections, there has been a trend towards fewer seats changing hands, and the ever-increasing ability of MPs (Government and Opposition) to use local funding pro-
grammes and communications budgets has played a significant part in this. Entrenched representation is always a danger in a democracy.

Second, representatives at other tiers of government try to match the spending on both communications and funding programmes of their Federal counterparts. A few years ago, I heard a woman describe how her Federal MP was definitely hard-working, whereas his State counterpart was rarely seen. Her evidence for the former was that he regularly produced a newsletter showing that he was busily spending public money around his electorate while, without a newsletter, she concluded the latter was either too lazy to produce one, or too lazy to have done anything for the electorate. No wonder that, in most jurisdictions, State MPs’ communications budgets are also being increased. This also relates to another factor that has contributed to the problem. In recent times, many citizens have been represented by different parties at State and Federal level, often leading the parties to try to ‘out grant’ each other in what are usually marginal seats at both levels.

The other problem with this fetish for funding local projects, and producing reams of accompanying material, is that it accentuates the growing trend towards local ‘enclavism’ and ‘nimbyism’. This phenomenon was accurately described by Paddy McGuinness, in a Quadrant editorial, as ‘the triumph of localism and parish pump politics over the wider concerns of federal or state politics’. As he described events in the aftermath of the Pittwater (NSW) by-election, electors have expectations that a ‘local representative should be seen to be placing himself or herself at the direct service of their electorate and locality, placing its interests and concerns above those of the wider polity and community’.

At least State politicians do have a legitimate role in looking at issues such as maintenance backlogs at local schools, graffiti at the local railway station, etc.. However, other than in political terms, it is hard to see how the intrusion of Federal MPs in recent years has served any genuine public policy purpose. Yet no doubt for citizens it is easier to judge their local MP by the grants he or she achieves for local schools or roads, rather than in assessing his or her role in delivering tax reform or influencing foreign policy, even assuming that citizens were as interested in those topics.

It is hard to see how the intrusion of Federal MPs in recent years has served any genuine public policy purpose.

Clearly the issues considered in this article are really only a concern if one is a supporter of limited and smaller government. Thus, it raises more issues for members of the Liberal Party than the more traditionally collectivist parties such as the ALP, Greens or National Party.

No-one should be under any illusions that finding a way to stop the trend towards ever-increasing Federal involvement in traditional areas of State responsibility will be easy to do. There are many individuals in the Liberal Party who don’t share a philosophical commitment to smaller government. Even some of those who do will still succumb to the pressure to conform with accepted and seemingly successful methods of campaigning. Those who believe that smaller government is good government should be on the look-out for any MP who can show that campaigning in the twenty-first century does not involve churning out endless taxpayer-funded material promoting endless taxpayer-funded local projects.

One consolation is the fact that the dollar quantum of much of this provision of local funding does not appear to affect the political impact greatly. A ten thousand dollar grant to the local school can sometimes have the same political effect as a million dollar grant. It is also possible to be active locally without spending money. An MP can do many useful things in a local community, such as helping clean the local park, without spending taxpayer dollars. If a Federal MP feels that he or she must take an interest in State issues, it can be done via a survey on local concerns on crime or transport, without taking on direct responsibility for fix-
Far from the wars of Old Europe, relatively immune to the totalitarianisms of the twentieth century, and endowed with ample land and resources to fit a country many times our population, Australia has had a lot going for it.

However, this also means that we can be squarely blamed for some of the disastrous policies enacted by governments either propelled by ideological folly, economic ignorance or naked lust for power. Some events, like our lack of success at the Montreal Olympics, Patrick White’s Nobel Prize for Literature, or the publication of On Liberty, have been pounced upon by governments eager to spend more taxpayers’ money. Others we can lay the blame at the door of the judiciary, like the Harvester decision or the Uniform Tax cases.

But in every case, these decisions and events have moved us further and further away from the liberal ideal of small government, equality of opportunity and freedom of contract.

Contributors were: Richard Allsop, Chris Berg, Jason Briant, Scott Hargreaves, Alan Moran, John Roskam and Louise Staley.

**13 Invention of Canberra (1908)**

*Canberra is a document of Australian immaturity*  
—*Australia*, 1930, Keith Hancock

Canberra was blighted from birth—a grubby compromise between NSW and the other States (particularly Victoria) who laughably believed that they had limited the power of the ‘Mother Colony’ by allowing the capital’s location in that State, provided it was no less than 100 miles from Sydney.

But worse was to come as Canberra’s functional purpose was overtaken by grandiose plans for a ‘garden city’, complete with ornamental pond. There was a design process described by Hancock as ‘a competition of foreigners judged by mediocrities’. The result: a meticulously planned city of sprawling suburbs, of looping bitumen mazes, divided rather than linked by bloodless arterials, and here and there punctuated by official buildings of indeterminate style and uncertain purpose.

Athens, Rome and London, like all the great democratic capitals of the world, thrived on the constant jostle and contact of decision-makers, officials and citizens in crowded *agora* and lanes bursting with life. To experience the contrast, try walking from Parliament to the Lodge, from DFAT to DITR, or from the High Court to anywhere. As with Speer demonstrating to the Führer the model for the new *Welthauptstadt*, Germania, the planners’ ‘vision’ is beyond human scale and comprehensible only from the air. Parliament House follows the pattern with interminable corridors, massive chambers, and careful segregation of politicians from both citizens and officials.

Instead of one of the founders of our democracy, the Lake at the centre of Canberra is named for the city’s designer, Burley Griffin, and perhaps there his spirit resides. As the north wind blows across the frigid waters, the inhabitants of the High Court and Parliament House—whether elected, appointed, or from the fourth estate—breathe a misty air imbued with the central planners’ dreams. No wonder Canberra is the last bastion of belief in the transformative power of Government.
Patrick White Wins the Nobel Prize (1972)

‘I am amazed at the way Australians have reacted, in a way they usually behave only for swimmers and athletes’, said Patrick White. But he should not have been: it was 1972, it was Time, and the cultural cringe had been stood on its head. With the Nobel Prize for Literature on the national mantelpiece, our emerging cultural elites announced that no longer should we judge our creative products as inferior to those of our parent nations; from now on they were better. And just look at all those films. Now if only we could get our hands on some Government money... And so, in 1973, the Australia Council was duly formed, and Les Patterson moved into Arts Administration.

White’s status did help justify the creation of University courses in Australian Literature, and many students did read at least the first half of The Tree of Man. White’s Voss meanwhile established for aspiring intellectuals that the Australian interior was henceforth a blank screen for the projection of their own obsessions.

The AusLit racket was formed and soon established the self-reinforcing pattern of grants, favourable reviews and appointments which ensures political correctness is more important than ability. Three decades on, the heirs of this movement in our publishing houses would reject, unrecognised and unloved, a chapter of one of White’s novels submitted as an unsolicited manuscript by a literary prankster.

The Nobel Prize commendation said that White ‘for the first time, has given the continent of Australia an authentic voice that carries across the world’. Duly anointed, the author was able to establish the now-crowded space in which authors act as the self-appointed conscience of the nation.

Meanwhile, the insult implicit in the commendation—the notion that without White we are a literary terra nullius—was politely ignored. For the agents of the new culture, there was too much to be gained.

Federal money for science blocks at non-government schools (1963)

In 1963, Prime Minister Robert Menzies announced that he would introduce Federal funding to non-government schools to build science blocks if he won the election. This was the beginning of Federal aid for private schools and the beginning of the end for the possibility of a student-centred system for funding schooling in Australia.

School funding today is a complex combination of tied and untied, capital and operating, special purpose, Federal, State and parent contributions. As a result, every election campaign includes vociferous attacks by the union movement, the Greens, and parts of the Labor Party on the amount of money the federal government gives to non-government schools and similar, if more discreet, appeals from the Catholic Church and independent schools for a continuation of funding.

This mishmash of funding and the attendant brouhaha is inefficient, inequitable and leads to poorer educational outcomes. Under the current system, schools expend substantial resources applying for the various types of funding and the bureaucracy to administrate all the grants is a further drain of funds actually getting to students. There are major inequities in the present system, from the capacity of rich parents to pay nothing for their children’s education by sending them to government schools, to the lack of resources and inexperienced teachers in poor government schools caused by insufficient funding and union rules stopping the schools paying more for better teachers.

It is impossible even to trial an approach that gives parents real financial choice about which school to send their child to when all the funding is allocated to schools, not parents, and the governments cannot agree. School funding should be the preserve of the States.
Publication of John Stuart Mill’s *On Liberty* (1859)

Published in 1859, *On Liberty* is one of the foundation documents of modern liberalism. Its arguments for freedom of religion and freedom of speech were radical and enormously powerful. *On Liberty* was compulsory reading for colonial politicians in Australia—and there was a tendency to think that if Mill said it, then ‘it must be true’.

As the influence of Mill’s political ideas grew during the nineteenth century, more attention came to be given to his economic theories. The problem was that while in the political sphere Mill encouraged small government, when it came to economics, he embraced state intervention and industry protection. He gave credence to the claim that tariffs could be used to encourage ‘infant’ industries—failing to realise that every industry starts as an ‘infant’ industry. He wanted Big Brother out of the bedroom, but he was quite happy to have Big Government on the factory floor.

The practical consequences for Australia of this intellectual contradiction were significant. The intellectual rationale for protection was combined with demographic practicality. The colony of Victoria, wishing to retain the tens of thousands of able-bodied men who had come looking for gold, adopted industry protection as a policy of job creation.

David Syme, the proprietor of *The Age*, was an enthusiastic supporter of Mill and through his newspaper he provided a ready platform for protectionist publicity. In the 1870s and 1880s, through the editorial pages of *The Age*, Syme had the ability to make or break Victorian Governments and those that he deemed not sufficiently protectionist were quickly dispensed with. Alfred Deakin became a protégé of Syme’s, and an avid protectionist.

At federation in 1901, the two largest colonies were split on tariffs—Victoria was protectionist, and New South Wales was free-trade. Within a decade the Victorian position had won and tariffs became settled national policy.

The Release of Cane Toads (1935)

Even though rabbits and foxes have done more damage to the Australian environment than cane toads, rabbits and foxes were introduced in the nineteenth century by private individuals who fancied hunting. By contrast, the introduction of cane toads was a policy disaster because they were released as part of an official government programme. Foxes came to Australia in 1855, and rabbits four years later when Thomas Austin famously released 24 rabbits in western Victoria. Cane toads were a later innovation.

A native to central and south America, cane toads were used in Caribbean sugar plantations to control sugar cane pests. Following publicity about the success of cane toads against the white-grub in sugar plantations in Puerto Rico, in 1935, William Mungomery, the head of the Bureau of Sugar Experiment Stations in Queensland travelled to Hawaii, and returned with 102 toads. They were released in northern Queensland around Cairns. Today it is estimated that there are over 100 million cane toads stretching across nearly all of Queensland, down to Port Macquarie, and east into the Northern Territory. In Australia, cane toads were largely ineffective against the pests they were designed to eradicate.

Cane toads have poisonous glands and are toxic both as tadpoles and adults. They’re blamed for the declining populations of domestic quolls, goannas, and snakes. In Australian conditions, cane toads can breed and live in a density 100 times higher than in their native conditions.

In a sort of a reverse Stockholm Syndrome, cane toads have entered Australian popular folklore as ironic heroes. There was outrage when Federal MP Dave Tollner (from the Northern Territory) publicly embraced the killing of toads with a variety of blunt instruments, including golf clubs and cricket bats. A cane toad is notoriously difficult to eliminate by such methods, and not even backing a ute over one will guarantee its demise. Instead, the RSPCA recommends euthanasing it in the freezer.
The Labor Party Split (1955)

‘The Split’ kept the Liberals in power and kept Labor out of power during the 1950s and 1960s. Depending on one’s political sympathies, this was either a good thing or a bad thing. The electoral consequences for the Federal ALP and for some of its State divisions were so enormous that, not unreasonably, they have been the focus of attention.

But the long-term effects of the Split were disastrous for both sides of politics, and for Australian politics generally. The root cause of the Split was communism. For the Left of the ALP, communism was no greater a threat than capitalism, and for some it was actually a preferable alternative. For the Right, international communism in the form of Russia, and domestic communism expressed through the Communist Party of Australia's control over key trade unions, posed a fundamental threat to the country. Doc Evatt, the Federal ALP leader at the time of the Split in 1955 appeared to have a greater sympathy for the first rather than the second interpretation of communism.

When many of the right-wing members of the ALP broke away to form first the Australian Labor Party (Non-Communist) and then the Democratic Labor Party, the Left gained an almost unchallenged ascendancy. And without the discipline that the opportunity of gaining office would have imposed, the ALP drove itself further and further to one end of the political spectrum. This shift made Labor unelectable and ensured that the Coalition was guaranteed government. And with its position assured, and without challenge from Labor, the Coalition became complacent and lazy.

The later Menzies, and then Holt were never forced to confront the need to renew their policies in the face of a viable alternative from Labor. When, therefore, Labor under Whitlam did make itself electable, the Coalition had no intellectual framework with which to respond to the ALP’s high-spending, high-taxing prescriptions. The result was that during the 1970s the Coalition’s policies were simply copies of the ALP’s.

Immigration Restriction Act (1901)

The very first Act passed in the new Parliament of Australia was to give effect to a White Australia Policy. The Protectionist Government of Edmund Barton depended on support from the Labor Party for its majority, and restriction of non-white immigration was a policy they both shared. This formed the basis for Labor supporting Barton.

The Immigration Restriction Act excluded non-white potential immigrants (and anyone else thought undesirable) primarily by introducing a dictation test whereby immigration officers could require potential immigrants to undergo dictation in any European language. Later, the dictation test was extended to any language. Racially based immigration was effectively abolished in 1966 when the dictation test was eliminated by the Liberal government of Harold Holt, and the Act was formally repealed by the Whitlam Labor Government in 1973.

Unlike many other policies where alternatives can be modelled or comparisons made with other countries, the negative effects of the White Australia Policy are not so easy to evaluate because they are not primarily economic. Australia experienced massive immigration over the period 1901–1966; it just happened to come from Europe rather than Asia or the Middle East. Instead, the effect of the White Australia Policy is a limiting of the Australian imagination, a common rejection or fear of the foreign and unknown which pervades many aspects of Australian life today including trade, culture, religion and the adoption of new technology. The legislation didn’t create racism in Australia—that was here before and has persisted in pockets afterwards—but the White Australia Policy gave official blessing to an isolationist stance which didn’t serve us well in the past and of which the lasting effects restrict our success in an increasingly globalised world.
6 WA Town Planning and Development Act (1928)

The Western Australian Town Planning and Development Act 1928 was the first such in Australia to give local government the power to control the use of private land. This had spread to all States by 1955 and increased in its regulatory intensity.

From the original mistletoe seed planted with the 1928 Western Australian Act, a mighty regulatory morass has grown, strangling the sturdy oak of private property.

There have always been restraints on the use of land—even in ancient Rome it would have been inadmissible to erect a slaughterhouse adjacent to a suburban villa. But the planning acts have taken these much further. From slow beginnings, they have shifted decision-making on land usage away from the nominal owners and towards government.

Land is designated for housing and the specific numbers of houses are predetermined, as are the various services, schools, etc.

Money is, of course, the mechanism of the Commonwealth's control over the States. Two High Court cases established Canberra's financial supremacy. In 1942, in the middle of the Second World War, the Court in the First Uniform Tax Case decided that the Commonwealth could legitimately impose income tax at such a level as to make it unfeasible for the States to have their own income tax, and further that if the States did continue to levy income tax, then the Commonwealth could require that its own tax be paid first. Although the Commonwealth had had its own income tax since 1916, after 1942 it had a monopoly over the most important source of government revenue.

The justification for the measure given by the Labor Government was to ensure full national coordination of the war effort. Its practical effect was to neuter the States fiscally. Technically there was nothing to prevent the States continuing with their income taxes, but as the Chief Justice of the time, John Latham noted, for the States to do so was 'politically impossible'.

After its election in 1949, the Menzies Government promised to 'review' the situation, but it quickly found the attractions of such a tax too alluring. In 1957, in the Second Uniform Tax Case, the States attempted again to challenge Commonwealth powers and again they failed. The system had been in place for a decade and the High Court felt no need to force a change.

5 The Uniform Tax Cases (1942 and 1957)

There are two main villains in the story of the death of federalism in Australia.

Commonwealth politicians should bear most of the blame—but their desire to centralise political power into their own hands is entirely to be predicted.

The second villain, the High Court, is less easily excused. For the first 20 years of its existence, while there still remained some memory of what the Federation was intended to be, the Court made an effort to limit the Commonwealth's rapaciousness. Since the Engineers Case of 1920, however, the Commonwealth has basically been allowed a free rein to trample on the States as it pleases.

One of the greatest fallacies of Australian politics is the claim that the Constitution is difficult to change. What is usually forgotten is that a referendum is only one way of changing the Constitution. Another way the Constitution can be changed is by the decisions of the High Court, and successive Court judgements have completely subverted the balance between the Commonwealth and State governments. The 1983 Franklin Dams case was a clear demonstration of the willingness of the High Court to abandon federalism as a constitutional principle.

In the case of rural properties, it is illegal throughout Australia to erect a new property by subdividing. The limits in Victoria are, for example, that no dwelling may be built unless it is on at least 40 hectares of land, or 8 hectares if it is located in a ‘rural living zone’.

The upshot has been a progressive and accelerating reduction in land available for housing. This is often conducted in the name of preventing sprawl, even though barely 0.3 per cent of Australia is urbanised. Most importantly, it has brought a vast increase in prices. In real terms, since 1973, a standard housing block for a new house has increased by between two-fold in Melbourne to a staggering ten-fold in Adelaide.

From an innocuous beginning, land restrictions have brought usage restrictions and price increases that are preventing new owners from getting a foothold on the ownership ladder. For those who are on the ladder, it has proved to be an escalator—rapidly increasing their apparent wealth and giving them an interest in tacitly supporting the restrictions on land availability that has brought this about.
It is probably unfair to blame one individual, but Stephen Holland’s failure to win the Gold Medal in the 1500 metres freestyle at the 1976 Montreal Olympics was the key trigger for one of Australia’s greatest public policy disasters.

Not winning a single gold medal in Montreal was a disappointment. Any intelligent observer, however, knew that Australia could not compete on a level playing field with the massive government spending programmes (and as we now know, drugs programmes) of other countries, particularly those in the Eastern Bloc.

Instead of taking pride in the virtues of our free society, the Fraser Government responded to the Montreal results by trying to emulate the command economies. From the initial setting up of the Australian Institute of Sport to fund some Olympic sports, Federal Government involvement has grown into massive public funding of elite sport across the board, with State governments joining in to set up their own facilities.

Unfortunately, government commenced its involvement just before sport began to realise its own financial pulling power through sponsorship and television rights. Although some minority sports would still not be able to compete for funds in the market, we now have the ludicrous situation where elite athletes who have been subsidised by the taxpayer also get to reap the benefits of their commercial power.

The huge funding of sport has also undoubtedly increased the pressure applied to governments to fund other special interests, such as the arts.

In the 2006–07 Federal Budget, over $250 million of funding was allocated to sport, a significant increase on previous years to ‘maintain our competitiveness on the international sporting field’ because other countries are now ‘adopting their own elite sport systems and allocating more resources to these systems’.

Apparently, the big threat to our fourth position on the Olympic medal tally will come from the United Kingdom at the 2012 London Olympics. Fifth position, and lower taxes, sounds a better combination.

The Wireless Telegraphy Act of 1905 inaugurated the century-long comedy of errors that is Australian media and telecommunications policy. The sector of the economy that has been characterised by some of the most rapid technological innovation has, at the same time, been cursed by governments concerned more with their own power than with the demands of consumers.

Wireless technology was introduced to Australia in 1888 in laboratory experiments at the University of Sydney, predating Guglielmo Marconi’s demonstration of the first wireless telegraph by nearly a decade. The use of telegraph and undersea cables for communication from the 1850s onwards meant that wireless technology didn’t assume political importance until Federation, when Tasmania, isolated from the rest of the nation, began agitating for Commonwealth funding for the new technology.

Initially, Prime Minister Barton was reluctant to do anything to encourage the expansion of wireless technology, worrying that it would harm the commercial viability of existing telegraphy companies—a theme that still characterises Australian communications policy.

But by 1905, less enamoured by the cable companies, the Commonwealth decided to institute government control over the new medium and, with one stroke, the Wireless Telegraphy Act claimed for the government the entire electromagnetic spectrum which previously had been in the public domain. Defending the legislation, the government stated that its purpose was to ensure ‘absolute’ government control over the medium. In the future, all commercial and independent users of the spectrum now had to apply to the Commonwealth for permission.

As it became clear that the wireless spectrum was a highly valuable commercial commodity, successive Commonwealth governments tightened their control over it. In the 1920s, at the behest of industry lobbyists, the government legislated to ensure that radio sets were ‘sealed’ so that they could only receive broadcasts from one station—not surprisingly this regime collapsed within twelve months.

Communications regulation also formed the sharp end of the wedge of big government in Australia. In 1901, the Postmaster-General’s Department was inaugurated with 16,000 public servants—90 per cent of the total Commonwealth administrative staff at that time.
**The Harvester Judgement (1907)**

The Harvester Judgement of 1907 effectively established the basic wage in Australia.

As part of the ‘New Protection’ policy of the time, excise duties were to be placed on manufactured goods. Firms judged to be paying ‘fair and reasonable’ wages to their employees could, however, apply for an exemption to the duty. In 1907, the Sunshine Harvester Works, an agricultural machinery maker, applied for an exemption and the case was heard by the President of the new Commonwealth Arbitration Court, Henry Bourne Higgins, to determine whether their wages were indeed ‘fair and reasonable’.

The Court took evidence relating to the cost of living at the time, and declared that a wage of 2 pounds and 2 shillings for a six-day working week would enable a man with an average-sized family, to live in ‘frugal comfort’, thus effectively establishing the basic wage. Soon afterwards, the High Court found New Protection to be unconstitutional but, nevertheless, the idea of the basic wage remained and soon came to form the bedrock of wage-setting in Australia—something with which we have been stuck, in different guises, ever since.

The imposition of wage levels by judicial fiat, in defiance of prevailing conditions of supply and demand in the labour market, has been a disaster for Australia since that time. The ultimate irony is that centralised wage determination has been most harmful to those it was actually intended to help—the poor and the unskilled—by pricing many of them out of the labour market and condemning them to unemployment. Together with protectionism, centralised wage-fixing was responsible for Australia’s going from being perhaps the richest nation at the turn of the twentieth century to one of the poorer in the developed world by the 1980s.

Tragically, the ghost of Higgins continues to haunt Australia today.

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**The End of the Reid Government (1905)**

The defeat of George Reid’s Government on 5 July, 1905 signalled the end of the last chance that Australia had to avoid the full imposition of the Australian Settlement. Not that Reid himself had done much to prevent it.

In the post-Federation parliaments, there were ‘three elevens in the field’—the Free Traders, the Protectionists and the Labor Party. The Free Trade Party, lead by Reid, was the last to get a turn in government, following both the Protectionists, under Barton and Deakin, and Labor, under Watson.

Reid became Prime Minister at the head of a coalition made up of his own party and a group of moderate Protectionists, headed by Allan McLean. Ominously for the likely longevity of the Government, the more collectivist Protectionist, Deakin, remained outside it.

The presence of the Protectionists was always going to limit Reid’s ability to deliver on a free trade agenda. As one Labor member of the time cuttingly remarked:

Just fancy Cobden and Bright abandoning the cause because they thought the battle was futile. Fancy Cobden and Bright being prepared to go into a cabinet with Protectionists.

Reid came to power on the basis of a ‘fiscal truce’ on tariff matters. Beyond the fiscal question, there were few areas where the Government attempted to pursue a laissez-faire liberal agenda. Indeed, inertia was a key feature of the Reid Government, with only nine bills reaching completion during its eleven months in office. These included the disastrous Conciliation and Arbitration Bill, about which Bruce Smith distinguished himself as the only member of the Free Trade Party who opposed the concept of arbitration in principle.

By putting the division on tariffs aside and conceding on other issues, Reid tried to get a joint Free Trade and Protection focus on ‘anti-socialism’. Some have argued that, if he had succeeded, free trade ideas would have remained a significant component of non-Labor politics. Deakin, who had more empathy with Labor than with Free Trade, certainly could not allow it and once he delivered a ‘notice to quit’ speech, it was clear that the coalition would soon collapse.

Deakin resumed office with Labor support. The December 1906 election brought little change, although Reid, campaigning under the ‘Anti-Socialist’ banner, slightly improved his numbers. When Fusion eventually came in 1909, protectionist ideas were very much in the ascendancy. Whether this would have been different if it had happened in 1905 is debatable. It seems more likely that by giving up on key parts of their agenda in 1904–05, the Free Traders condemned the ideals of free market liberalism to the wilderness for decades to come.
Something quite dramatic occurred at the International Labour Organisation (ILO) in June this year. For the first time, the peak body of world-wide labour regulators accepted that labour regulations should not interfere in commercial transactions.

As sensible and obvious as this might seem, it in fact represents a huge conceptual leap for the labour regulation community. It is an historic development of significant proportions. In some respects it heralds a further unravelling of the moral foundations of Leftist ideology.

Most importantly, however, it holds out long-term prospects for more practical business and labour regulations globally, regulations that will aid grass roots economic activity and job creation. It has immediate implications in Australia because it secures a moral and legal underpinning to the Federal Government’s proposed independent contractor legislation.

What are the issues, how did this situation unfold at the ILO and globally, and why is this development so important?

The ILO

The ILO was formed in 1919 after the end of World War I, in the belief that the War was in part the consequence of a conflict between labour and capital. This was an understandable view early last century. The Marxist concept of class warfare was in the ascendancy. The old order in Europe was collapsing. Monarchs were being overthrown and organised labour played a major revolutionary role, particularly in Russia. World War I seemed to emerge from this chaotic revolutionary environment.

The ILO was formed in the belief that if labour, capital and governments could get together and talk in a structured way, conflict could be diminished. Following World War II, the ILO survived to become a division of the United Nations. The ILO’s principles and structures are still based on the 1919 vision. It operates through a highly formalised ‘tripartite’ dialogue between unions, employer bodies and governments.

With the UN now having the all encompassing ‘world peace’ agenda, however, the core task of the ILO has narrowed. Effectively, the ILO is the international standards-setter for labour regulation.

The ILO operates throughout the year, but in June each year its activities culminate in a three-week session in Geneva, Switzerland. Government, union and employer representatives from across the globe meet to make the big decisions.

At the heart of every ILO consideration is the notion that class warfare at work is inevitable and that governments must regulate to manage that conflict. The underlying conceptual orthodoxy is that employers will always want to exploit, and that employees will always be subject to potential exploitation.

Consequently, the ILO has developed a long list of ‘standards’ covering the role of unions, collective bargaining, child labour, work safety, equal opportunity, anti-discrimination and so on.

Unions, labour lawyers, academics, and government policy bureaucrats all take immense interest in ILO deliberations and decisions. The ILO directly affects the design of national labour laws. For example, most Australian industrial relations, equal opportunity and anti-discrimination laws make direct reference to, and draw upon, ILO Conventions and principles. Hardly any academic discussions on labour issues will occur without reference to ILO standards. The ILO matters!

Diminishing reach and the independent contracting problem

In the mid-1990s, however, concern was expressed by unions, labour academics and regulators that the reach of employment law and regulations was being restricted. The problem manifested itself through the apparent rise of independent contractors. These
are working people who are not employees. They are the smallest of small business people—businesses of one.

The problems perceived by the regulators were many. Independent contractors were outside the design reach of most income tax withholding laws. Governments could not require businesses to send income tax to them if the worker was not an employee. In addition, businesses allegedly avoided their work safety obligations if independent contractors were used. But perhaps what raised most concern was that independent contractors did not formally come within the reach of the organised labour collective—the unions. Independent workers, by definition, do not engage in collective activity. These workers threaten the global institutions of the union movement.

These and related issues of concern are both practical and conceptual. On the practical side, for example, governments need to collect tax, work must be safe and, in the mind of the ILO, unions need to function.

There are, however, significant conceptual difficulties when thinking of individuals as businesses.

The most extreme view holds that the phenomenon of the independent worker is in fact an employer plot to further employers’ exploitative urges. It’s a scam, many allege, designed to enable employers to avoid financial and social obligations. This view is translated into an academic position called the ‘dependent contractor’ thesis. It holds that someone might be an independent contractor at law, but if he or she has only one client, then they are in fact ‘dependent’ and should be treated as an employee.

The dependent contractor thesis gained strong acceptance among respected economists, statisticians and regulators by the end of the 1990s. What few realised was that they were blurring the line between employment law and commercial law.

This blurring developed further with the introduction of the idea of ‘the problem of the triangular relationship’. This claimed that if one party had a contract with a second person and the second person contracted fur-
ther with someone else, then this was 'a problem'. When this process occurs repeatedly, it's a series of cascading commercial contracts. It might be 'triangular' but it's precisely how economies operate.

Many workers seek to be, and many are, their own boss. The right to be your own boss is a human rights issue.

These concepts—'dependent contractor' and 'triangular relationships'—were not just theoretical. They appeared repeatedly, for example, in Australian legal cases and formed the basis for several pieces of legislation. The New South Wales industrial relations unfair contracts laws are a product of these concepts. It is why the NSW industrial relations commission has repeatedly made rulings on commercial contracts—including retail tenancy leases and franchise agreements.

The issue inevitably found its way on to the ILO agenda. There was one overarching concern, namely, that employment law and regulation was under threat. Workers were leaving employment to become independent contractors but many were allegedly 'dependent'. The process was a sham—an employer scam to avoid obligations. The scam was highlighted by triangular relationships in which employers contracted-out of their obligations through franchising, labour hire and so on. The solution, it was thought, was clear. Labour law needed to extend its reach to capture commercial contracts.

The ILO debates on the issue began in 1996, occurred again in 1998, had a committee of 'experts' report in 2000 and reached a major 'Conclusion' in 2003. It returned to the agenda in 2006 to achieve a final outcome. It has perhaps been the most protracted and difficult debate in the history of the ILO, causing high anxiety and significant emotion along the way.

The ILO result

For many years the debate was inconclusive, but started to gain focus in 2003. What started to occur was a slow recognition that there is a sharp distinction between the employment contract and the commercial contract—at least in policy terms.

The 2003 ILO 'Conclusion', an interim step to an end result, contained a statement that independent contractors are legitimately outside employment regulations. This was a significant development. The key part of the Conclusion read:

- Self-employment and independent work based on commercial and civil contractual arrangements are by definition beyond the scope of the employment relationship.

This demonstrated that a policy was slowly emerging which understood that, in economic terms, the regulation of commercial contracts and employment contracts are directly opposed. Commercial contract regulation has as its primary objective the prevention of collusive activity that tries to achieve price-fixing and monopoly. By comparison, employment contract regulation facilitates collusive activity to achieve (labour) price-fixing by delivering monopoly bargaining power to the labour collective. If employment regulation intrudes into commercial contracts, price-fixing and monopoly inevitably become sanctified in the broader economy, albeit by stealth. This is economically dangerous. And once the line has been crossed, containment is not possible.

Independent contractors (self-employed) are the line. They are people who, by definition, earn their living through the commercial contract. To treat these people as employees it is necessary for legislation to declare a commercial contract to be an employment contract.

This is what the Queensland Industrial Relations Act allows. When using the Act to declare a corporation to be an employee in 2000, the Queensland Commission said something to the effect: 'it troubles us to declare something to be what it is not, but given that the Act requires us to do so, we must'. In short, the Queensland Act creates legal and economic nonsense and confusion. It distorts reality.

The next ILO development was a first-ever, global survey of employment definitions. One key to the debate for a long time was the view that the definitions of employment and independent contracting were unclear. In surveying some 80 countries, the ILO found the reverse. The 2005 ILO report expressed surprise to find substantial 'convergence between the legal systems of different countries' in the way they defined the difference between employees and independent contractors. Contrary to many allegations, courts worldwide know exactly what they are looking for.

The ILO found that the distinguishing difference is that employees are legally dependent and independent contractors are not dependent.

In lay language, employees are dependent because they do not have the right to control the terms of their work contracts. Independent contractors are not dependent, because they share control of the terms of their work contracts with the other party.

Further, the ILO report recognised the illegitimacy of the term 'dependent contractor' and instead...
emphasised three key terms. ‘Worker’ is a generic term of which ‘employees’ and ‘independent contractors’ are subsets. The ILO stated that a ‘dependent worker’ is an employee.

This new level of authoritative definitional clarity set the scene for the 2006 debate. What emerged was historic.

In June 2006, the ILO passed a Recommendation. The key clause is clause 8 which reads as follows:

National policy for protection of workers in an employment relationship should not interfere with true civil and commercial relationships, while at the same time ensuring that individuals in an employment relationship have the protection they are due.

This is a new ILO labour standard. The importance of the Recommendation

The simplicity of language in this new ILO labour standard understates the huge significance of the 2006 development.

In Australia, the impact is direct and immediate. The industrial relations ‘employment deeming’ provisions in Queensland and the industrial relations ‘unfair’ contracts provisions in NSW are stripped of international labour standards credibility.

The proposed Federal independent contractors legislation is in accord with the new ILO standard. It keeps definitions within the common-law structures which fit with the ILO standards and it targets the elimination of sham or disguised employment.

This flips Australian political norms on its head. It recognises the necessity to keep distinct the line between the employment contract and the commercial contract. It strikes a balance between protecting employees and protecting those who work through the commercial contract.

The new ILO standard flips Australian political norms on its head.

It is, however, not really all that surprising. Since the collapse of the Berlin Wall, the traditional twentieth-century ‘left versus right’ dynamic of politics has rapidly declined. Communities increasingly do not define themselves in terms of a class war between workers and bosses. Issues that divide and unite communities are now more complex, diverse, unpredictable and fluid.

In the work environment, many workers seek to be, and many are, their own boss. The right to be your own boss is a human rights issue. Governments must not take away that right. This is now recognised at the ILO.

But there’s more. If labour regulations were to have continued their intrusive thrust into commercial transactions, great harm would have been done. Commercial activity has already been severely assaulted by attacks against legitimate contracting-out, labour hire, franchising and leasing. In thousands of unseen ways these regulatory attacks (and others) reduce the success of economies.

In June 2006, the International Labour Organisation made a step in an historic, positive direction. Understanding the significance of this step and following through with national and global policy alignment is the next challenge.
You have probably never heard of the baiji—the graceful, grey dolphin endemic to the Yangtze River with tiny eyes and a long narrow beak. If you ever visit China, chances are you will never see one.

The baiji may be extinct. A survey carried out in March this year by a team of experts from China, the US, UK and Switzerland failed to locate a single baiji. The last confirmed sighting was in September 2004. The baiji, *Lipotes vexillifer*, may be the first species of cetacean—whale, dolphin and porpoise—to become extinct in modern times. The extinction will have taken place at a time of unprecedented interest and concern for their large relative, the minke whale.

It is perhaps a sad reflection of humanity’s inability to prioritise effectively on the basis of need, that so many resources and so much publicity has been devoted to ‘saving whales’, while the fate of this small freshwater cetacean has gone mostly unreported.

Indeed, just last summer, Greenpeace sent two ships to the Antarctic to save minke whales. We saw images on national television of young activists in rubber inflatables manoeuvring between Japanese whaler and whale. But minke whales are not about to become extinct. In fact there are hundreds of thousands, if not millions, of minke whales.

In terms of the world’s cetaceans, there is no greater need than a plan of action to save the freshwater dolphins and porpoise that are just hanging on in Asia’s rivers. This includes the Gangetic, Indus and Irrawaddy dolphins and the finless porpoise.

It has been argued that the baiji are the most important species within this group because the baiji is a whole separate genus. Randall Reeves, Chair of the Cetacean Specialist Group at the IUCN (International Union for the Conservation of Nature), has suggested that their disappearance would be like the ‘snapping off a complete branch from the tree of mammalian radiation’.

Dr Reeves believes that a small number of baiji are surviving at low population densities and that funding is needed for an ambitious plan to find, capture and move them to a semi-natural reserve. He believes that it is still possible to establish a breeding population of baiji in the relatively protected environment of the Tian-e-Zhou oxbow. This is a 21-kilometre long stretch of water adjacent to the Yangtze River.

But not everyone agrees, and it’s not the first time that a plan to capture and move the baiji has been promoted. In 1995, a team of 70 people and 22 boats searched the lower Yangtze for baiji. The plan was to establish a captive breeding programme at the Wuhan Institute of Hydrobiology and also to establish a small population in the Tian-e-Zhou reserve. Several baiji were sighted but none successfully captured.

The Baiji Conservation Aquarium at the Wuhan Institute was completed in 1992 following a grant from the World Wide Fund for Nature and the Endoshima Aquarium in Japan. But when two American scientists, Donald Hoard and Stefanie Watcher, visited just three years later, they reported that it was in a state of ‘anonymity and neglect’. The main aquarium tank was empty and a single adult baiji was being kept in a small circular pool. They reported that the pool was not clean, filtration apparently difficult because of power outages.

In a recent issue of *Conservation Biology*, Professor Guang Yang of Nanjing University wrote that saving the baiji is essentially a lost cause and that available resources should now be spent on saving the finless porpoise—the only other species of cetacean in the Yangtze River.

There are perhaps 2,000 finless porpoises, *Neophocaena phocaenoides*, in the river and a breeding population of 26 porpoises has been successfully established in the Tian-e-Zhou reserve.

Illegal fishing (including fishing in this nature reserve) is an ongoing source of concern. Set net, poisoning, dynamite, rolling hook (lines of iron hooks set across the flow of the river) and electro-fishing are officially banned along the entire length of the Yangtze River, but these fishing practices are reportedly still widely practised.

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The new Swiss-based Baiji.org Foundation is planning to employ ‘skilled baiji guards’ to enforce the fishing legislation, including through daily patrols of the Tian-e-Zhou reserve. In reality, this and other initiatives proposed to ‘save the baiji’ are likely to be of more benefit to finless porpoises given that this is the species which currently inhabits the reserve.

A recurring theme in freshwater dolphin and porpoise conservation across Asia is ‘accidental death in fishing gear’—particularly entanglement and drowning in driftnets and gillnets.

Next summer, instead of heading to the Antarctic, Greenpeace activists could perhaps launch their inflatables into the Yangtze and other Asian rivers to highlight some of these issues.

A project initiated by New-Zealand born Isabel Beasley titled ‘The Mekong Dolphin Conservation Project’ is focused on saving the last 170 Irrawaddy dolphins in the Mekong and appears to now have the support of local communities in southern Laos, Cambodia and Vietnam, James Cook University in Australia, the Cambodian Department of Fisheries and the Cambodian Prime Minister.

Meanwhile, in Burma, the Whale and Dolphin Conservation Society (WDCS) is working with the local Department of Fisheries to protect what is known as the human–dolphin cooperative fishery in the Ayeyarwady River. Gill netting will be illegal in a 70-kilometre stretch of the river where cast-net fishermen traditionally work with dolphins.

It is an example of inter-species mutualism. The local fishermen tap the side of their boats asking the dolphins for help. If the dolphins agree, together they corral the fish towards the shore. The dolphins will signal again when it is time for the fishermen to cast their nets. The dolphins feed on the fish momentarily stuck on the mud bottom after the net is pulled up.

Across the world, fisherman and small cetaceans have a lot in common. Their survival is dependent on a sustainable fishery, which in turn is dependent on reasonable water quality.

Earlier this year, ten Irrawaddy dolphins, eight of them calves, were found dead in the Mekong River, with pollution, rather than the usual ‘accidental death in fishing gear’, considered the most likely cause of death. The next 50 years is likely to be a period of unprecedented economic and population growth in Asia. This will place tremendous pressure on the world’s resources, but particularly on the rivers of central and East Asia. The species of freshwater cetacean unique to this region are unlikely to survive if, like the baiji in Wuhan in 1995, they are left in a state of ‘anonymity and neglect’.

Last year marked ten years since Donald Hoard and Stefanie Watcher visited Wuhan. Last year the Baiji Conservation Aquarium at the Institute of Hydrobiology, through the Baiji.org Foundation, announced the birth of the first-ever freshwater cetacean in captivity. The Aquarium announced the birth of a healthy Yangtze finless porpoise.

It may be too late for the baiji, but surely this is a sign of hope for Asia’s other freshwater cetacean.
Economic development remains an awkward and complicated goal for undeveloped nations. But one clear path towards raised living standards remains this: any nation, of whatever size or characteristics, has to be free to utilise whatever natural resources, labour or other assets it has been granted by geographic luck.

However obvious this may seem, attempts by developing nations to do just that are regularly attacked by NGOs as contrary to other goals dear to those groups—sustainable development, cultural and economic self-sufficiency, and adherence to standards set by developed nations. In order to further these goals, activist NGOs take their eye off the ball and, albeit unintentionally, hold back poor nations’ economic development.

Politically, Papua New Guinea is a safe target, unlike Tasmania and Western Australia, which log at higher rates without yet attracting quite such vitriolic hostility from real or would-be Greens. But there the rule applies. Instead of focusing on how to lift Papua New Guinea’s economy up for the benefit both of its citizens and the world, its burgeoning but restricted logging industry is used as a pawn for groups with ideological axes to grind.

Moreover, the judgements that PNG’s logging industry is both ‘illegal’ and ‘unsustainable’ do not stand up to scrutiny. The arguments reported in the print and broadcast media are based on unsubstantiated allegations by Greenpeace and other NGOs about the rate of logging, and a lack of understanding about land ownership and property in PNG’s forests. Such arguments are contrary to the interests both of the people most affected and the country as a whole.

What would provide more sustainable cash outcomes for all stakeholders, including the government and local landowners, other than small-scale and proven financially unsustainable eco-forestry projects? Most (around 70 per cent) of PNG’s landmass is unsuitable for anything except forestry and other tree crops such as cocoa, coffee, copra, rubber, and palm oil—these accounted for over 90 per cent of total non-mineral exports in 2005.

An international comparison is illuminating. New Zealand has a smaller total land area, and an even smaller forested area than PNG. Despite this, it exported 7.2 million cubic metres of logs in 2001, five times more than PNG in that year, and its total roundwood exports were ten times PNG’s in 2001. Its total wood product exports were worth over US$1 billion in 2004—ten times more than PNG’s.

If PNG were simply to match New Zealand’s export performance, the developing nation’s GDP would be about 28 per cent larger than the actual in 2005. Given its larger land mass and better climatic conditions for rapid
tree growth, PNG’s timber production could well equal New Zealand’s total production of 30 cubic metres per annum (including the domestic market), and its GDP would then be at least double today’s level, with pro rata increases in government revenue offering scope for commensurate improvements in all PNG’s social indicators—a topic on which Greenpeace has nothing to offer.

The NGO attack on logging in PNG

Greenpeace’s claim that logging in PNG is illegal is based on some peculiar criteria. The comprehensive reviews of PNG’s logging industry undertaken by the PNG Government and the World Bank between 2000 and 2005 found that all 14 of the biggest logging concessions were fully compliant with the Forestry Act in terms of permits, consistency with the National Plan, and harvesting supervision by the PNG Forest Authority. They also found that all but five of 32 proposed new logging projects had so far fulfilled ‘due legal process’.

Thus the ‘vast majority’ of 46 existing and proposed logging projects were legal.

Greenpeace’s assault on ‘illegal’ logging in PNG is part of its wider campaign against Rimbunan Hijau (RH), a Malaysian conglomerate with global interests in countries as far apart as Russia and New Zealand, which it has conducted in documents such as The Untouchables: Rimbunan Hijau’s world of forest crime & political patronage. Greenpeace singled out RH’s logging in PNG’s Wawoi Guavi district for special criticism, finding fault in three respects: first, that due legal process had allegedly not been followed in regard to the extension of the licence in 2002; second, that the legal (sic) requirement for sustainability had not been applied; and third, that the rights and interests of the local landowners had not been observed and protected.

But these legal issues are far from certain. The World Bank/GoPNG Review stated that the original Timber Permit granted to RH had been fully compliant with the PNG Forestry Act, but also suggested that the circumstances of the renewal in 2002 were questionable. It would be hard to sustain in court any claim that a permit granted with full due process should be deemed ‘illegal’ when the original Permit was granted with an annual cut based on a 26-year cycle, of which only ten had passed.

Greenpeace’s attack relies heavily on the account of the World Bank’s review by the Washington NGO, Forest Trends, which liberally stretches the term ‘illegal logging’ to cover a wide range of non-forestry legal issues such as landowner consent, work permits for expatriate staff, training, health and safety, and labour relations generally. None of these has anything to do with forestry, and the recent study of RH forestry in PNG by ITS Global found that it had a generally good record in these matters.

Is logging in PNG sustainable?

The only valid basis for the Greenpeace/Forest Trends attack on forestry practices would be if there had indeed been a disregard for sustainable logging. But this claim fails upon examination. The permitted annual harvest awarded to RH at Wawoi Guavi in 1992 was 350,000 cubic metres. The bulk of the harvest has gone to the RH plywood and veneer mill, and allowing for the plant’s log consumption of 300,000 cubic metres per year needed for its exports of around 150,000 cubic metres of processed wood products, the total harvest has been within the permit harvest of 350,000 cubic metres.

This permitted harvest is well within the sustainable yield estimate by John McAlpine for PNG’s Western province. McAlpine is a noted pioneer of satellite mapping of PNG’s resources, but his estimate of sustainable yields could be considered inordinately conservative, at one cubic metre per hectare a year, as that equates to just half a ute’s back load of firewood from an area as large as ten standard quarter-acre housing blocks in Australia.

Tropical forest can do a lot better than that. Many species indigenous to PNG are capable of yielding much more. For example, the tan wattle at 10–20 cubic metres per hectare per year; anthocephalus chinensis, 10–40; Norfolk pine, 20–30; eucalyptus deglupta, 21–28. To claim that primary forest necessarily yields less than 10 per cent of plantation potential requires more substantiation than is provided by Greenpeace and Forest Trends. For example, NGOs frequently claim that the sustainable rotation in tropical forests is as long as 70 years. However, Jant, operator of the Gogol wood chip project in PNG’s Madang province, is still in business after 30 years, having established rotations of 15 years for eucalyptus deglupta and eight years for acacia on plantations established jointly with local landowners on the previously logged primary forest area.

PNG’s Forestry Act states that forests are to be ‘conserved and renewed as an asset for succeeding generations’ while the associated National Forest Policy interprets this as requiring that timber harvesting be managed on a sustained yield basis. But although

PNG is being used as a pawn for groups with ideological axes to grind.

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sustained yield is one of those ‘feel good’ phrases that are seldom if ever defined, least of all by Greenpeace, the PNG Forests Authority has based itself on the McAlpine determinations of sustainable cuts in each Province when awarding new permits such as those for Wawoi Guavi in 1992. Ignoring this makes it easy for NGOs to deem that PNG’s annual log exports of 2–3 million cubic metres per year are ‘unsustainable’, whereas New Zealand’s annual log harvest of 30 million cubic metres is never criticised, any more than similar levels in countries such as Australia, Sweden, Malaysia, Canada and the USA.

If PNG were simply to match New Zealand’s export performance, the developing nation’s GDP would be about 28 per cent larger.

It is true that logging in the latter countries is mostly on a plantation basis, while plantations provide only a relatively small, albeit growing, proportion of PNG’s log exports (more than 10 per cent in 2004). Sustainable yields will be different on plantations (where yields of up to 40 cubic metres per hectare a year are well documented), from what is feasible in natural forests where species, ages and hence dimensions of the tree stock are highly variable.

The UN’s Food and Agriculture Organization’s 2005 annual forestry report provides a useful rule of thumb for the potential sustainable yields of primary and plantation forests, in the ratio of 1:4. Thus, plantation yields of 20 to 40 cubic metres per hectare a year are comparable with primary forest yields of 5 to 10 cubic metres, well above McAlpine’s conservative one cubic metre per hectare per year for PNG’s Western Province.

Yet even McAlpine’s cautious estimate of the overall potential logging capacity of PNG’s forests and therefore of the maximum sustainable harvesting potential (although ignored by Greenpeace and Forest Trends), has yet to be exceeded in practice. The World Bank estimated in the 1980s that PNG’s forests could sustain logging at an annual rate of 6 million cubic metres, a rate subsequently confirmed by McAlpine, and more than double the average rate achieved since 1985.

Is logging in PNG forests ‘illegal’?
The other main basis for deeming all logging in PNG to be illegal is the claimed lack of informed landowner consent—but this is itself ill-informed. First, distant judges such as Greenpeace need to realise that there is no documented landownership in any part of PNG’s forest areas. The country’s customary land tenure system is based on individual rights to one’s own home and cultivated gardens. In the primary forests that are the subject of logging permits, there is little such cultivation.

Instead, PNG’s forests are a commons in which all living in and around it have rights of access for hunting and gathering, but there are no rights of any one individual or family to exclude others. Ignoring these facts, it becomes all too easy for NGOs to find disaffected ‘landowners’ in the vicinity of a timber permit area eager to claim that they knew nothing of the project before its inception, gave no consent to it, and have gained no benefit in the form of a share of royalties paid by the logging contractor.

Yet it is clear from the World Bank/GoPNG Review that logging contractors must have a government-approved agreement with incorporated landowner groups before they can acquire timber rights, and that there are large numbers of landowners who have, over the years, received significant cash payments. If these landowners had not consented to the project, they weakly reduced their case by accepting payments, but in reality, they consented. PNG’s rural population is, however, famed for its opportunism, migrating swiftly over large distances to wherever they see a chance of portraying themselves as the original landowners in some new timber or mining project area. Thus, the 1990–2000 Censuses revealed large movements to the vicinity of the Porgera gold mine and the Kutubu oil fields, all in the hope of laying claim to royalty flows. In such circumstances, it is easy for Greenpeace to find disaffected ‘landowners’ in every logging area.

The claims by Forest Trends and Greenpeace that logging in PNG is il-
England and America are two countries separated by a common language.
—George Bernard Shaw

Not since the mid-1980s has it been so respectable—indeed fashionable—to hate America. Much of the antipathy is blamed on Americans themselves and the Bush Administration in particular. Yet it is not merely a contemporary fetish to blackguard the US.

Back in the early 1990s, when I was teaching at the Australian National University and well before George W. Bush became President, the undercurrent of sneering derision was present. Even at the height of Bill Clinton’s soppy-Left, UN-loving career, most Australian students I dealt with had the attitude: ‘Americans are just plain stupid’.

‘Hatred’ might be too strong a term, although some (especially in the media and academy) clearly do hate America. Most Australians look upon the US with a sort of condescending paternalism, the son who laments the mental failings of his elderly father. To say that Australian anti-Americanism is merely a firestorm brought upon itself by the current Bush Administration ignores the fact that the antipathy is something far more visceral and ingrained in our cultural divide.

What worsens the problem of identification and acknowledgement of these cultural differences is that Americans look like us and they speak our language. Perhaps we would invest in a more detailed analysis of US culture if they spoke Swahili. Yet their similarities blind us and make us lazy in our analysis. A skin-deep assessment of ‘them’—which is all that most Australians engage in, even those who make it to our universities—is that they are ‘us’. Therefore, we expect them to be like us. But they are not us; and their culture is not ours.

If we look at valued behaviours, as demonstrated through popular culture, in Australia we see: realism, cynicism, collectivism, humanism and apathy. But do the same for the US and you have: sentimentality, optimism, individualism, faith and enthusiasm. From an Australian perspective, Americans are not just from Mars, they are from Pluto.

In Australia, the respectable public expression of these ‘American’ virtues does not extend beyond the football stands. Transgress that limit and you risk being thought of as ‘weird’ or, worse, an ‘ideologue’.

What makes America?

Thus, the problem of what to make of Americans? Cheerleaders, pep rallies, ‘in God we trust’, ‘God Bless America’, born-again Christians, US Marines, cowboys, Texans, Hollywood, New York, Divine, enthusiastic, providential missions of a nation—but, notably, not a race or religion. Divine, enthusiastic, providential missions about the nature of humanity, and the role of the United...
States in world affairs.

Australians, in contrast, are Europeans at heart when it comes to international relations. Most Western cultures have developed their understanding of the way international relations work from a European system of *realpolitik*. In that worldview, there are always 'wheels within wheels'. What is said is not necessarily what is meant: it is all secret diplomacy, mercantilism and elite cartels.

Hence the incredulity that a country could actually believe that liberty, democracy and the ownership of property, in and of themselves, are good things. That these principles are worth fighting for. That these principles are not merely 'words'. Australians and Europeans (un)reason them away as some sort of cover for a hegemonic elite to fool a gullible populace.

This is a widely-held, but wrong-headed, assessment of US international relations.

Australian students display a near-universal incomprehension at works by respected US historians such a Dexter Perkins or Gordon Wood or Bernard Bailyn: ‘Surely Americans don’t *really* believe that!’ And usually the token American exchange student will meekly respond, ‘Well…’ before being mocked or ignored.

What most Australians—and indeed most in the West—cannot acknowledge is that perhaps these notions are not a façade, but are an essential component of America’s ‘national interest’, and have been since the early years of the twentieth century.

We have forgotten (or, more likely, we never knew) that for the greatest part of America’s history, the country was rabidly isolationist. The early settlers fled from European religious persecution. Washington’s farewell address in 1796 exhorted Americans to turn their back on European ways of foreign affairs. In the nineteenth century, Americans revelled in their ‘splendid isolation’. If old Europe was corrupt and malign, new America was determined to be the lonely flower of humanity.

When World War I came about, some American leaders reversed their historical isolationist position. As the ‘corruption’ of old Europe spread beyond its geographic boundaries, Woodrow Wilson and other Progressives came to believe that it was America’s messianic duty to bring freedom and democracy to the world. Wilson, more than any other American President, defined American foreign policy in the twentieth century.

Americans still sincerely believe that a missionary zeal for the Four Freedoms is a legitimate mode of international affairs. It is notable that, after World War II, even European nations felt compelled to pay a passing nod to these ideas when they agreed to the foundation documents of the United Nations—irrespective of whether they truly believed in the practicality of those ideals.

That strain of providentialism was inscribed in the words and, more importantly, the actions of Presidents from Wilson to Roosevelt to Kennedy to Reagan to Bush. Indeed, all three major strains of American historiography—Realist, National Liberal and New Left—concede this important point. What they do with it, of course, is a different matter.

The National Liberals say that Americans approach foreign policy problems with a ‘moralistic’ attitude, where they seek to ‘do the right thing’ and correct errors when they ‘do the wrong thing’. Realists complain that this American moralism blinds them to their ‘real’ interests, and America’s Manichean worldview makes intricate those disputes which could be simply resolved by *realpolitik* solutions. The New Left decries the role that corrupting business interests have played in leading Americans astray from what otherwise would be a righteous and moral path in international affairs.

This point is not to highlight the differences, but the core feature of similarity: the universal, explicit assumption that Americans ‘do’ foreign affairs differently—namely, from a moralistic perspective. That is a matter of joy for the National Liberals; despair for the Realists; and hope for the New Left.

**Freedom and American foreign policy**

*realpolitik* is integral to Australian ways of seeing international affairs, but plays almost no role in the modern American tradition. When we think of prominent contemporary US Realists, three immediately spring to mind: Henry Kissinger, Paul Kennedy and Owen Harries. Unsurprisingly, none of these men actually grew up in the US—Kissinger is a German émigré, Kennedy is English and Harries is an Australian, and their views all fall outside the American tradition.

It should not be forgotten that Jimmy Carter, in 1976, campaigned strongly on a rejection of Kissinger’s style of foreign policy, and in favour of a more moral, rights-based approach to international relations—and he won. Even today, Kissinger’s style remains on the outer in US diplomacy. He was too willing to deal with Pinochet for the US Left, too willing to engage in détente with the Soviets for the US Right. In short, he was too Realist for American tastes.

Interestingly, the Realists worry about ‘neo-cons’ just as much as the Left do. The current critique of the US
neo-cons is somewhat ironic considering that, within the intellectual foundations of the American diplomatic tradition—at least over the last 100 years—they are neither ‘neo’ nor ‘con’. They are not ‘neo’ because their voice is the voice of early twentieth-century Progressives. Nor are they ‘con’, in any philosophical sense, because they reject Burkean worldviews of established orders, in favour of reform and revolution within closed societies and, if necessary, the imposition of democracy. They fit precisely within the group of Wilsonian liberal internationalists, differing only in their healthy scepticism for ‘world body’ organisations such as the UN, which they believe have been corrupted by ‘old Europe’ modes of discourse and action.

That is why Realist and New Left analyses get it so wrong. America, more than anything else, is a country founded not on race or language or class, but on ideas: ‘We the people…’;
‘We hold these truths to be self-evident…’;
‘… a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal…’;
‘Give me your tired, your poor, your huddled masses yearning to breathe free…’ Americans celebrate the virtues of liberty and progress and they seek to extend that worldview to others. They believe in a grand, optimistic teleology of mankind. But, not being part of that tradition, Australians off-handedly dismiss it as just so much hyperbole. They believe that it is merely a smokescreen of language that hides more tangible desires.

But if the realpolitik people are correct—oh, that is the way ALL countries work, irrespective of what their leaders may say—then surely a Realist statement would be warmly welcomed by a US public, wouldn’t it?

If Americans do not really believe these values because, as the theory of realpolitik would have it, all nations function on the same self-interested lines, why not just look to Iraq and say something like: ‘Yes, it’s all about cheap, plentiful oil’? But when Australians are asked to explain why American leaders would bother with the rhetoric, they splutter for an explanation.

The universal response from Australians is along the lines: ‘Oh, well, they only say those “liberty” and “democracy” things so that the US public will get on side, but really, they know it’s all about oil and profits and power’.

But that response just raises further problems. First, it is an almost explicit concession that Americans do look at international relations through a moralistic prism. If that is what is ‘popular’ and required to get the American public ‘on side’, then what does that say about the typical American’s values system for international relations?

Second, at what point do American Presidents stop being members of this moralistic American public? Is there a special school that they go to which expunges their liberal internationalism and replaces it with stark, cold Realism? But the point remains—if the leaders are drawn from a milieu which seriously believes those ideals, who can honestly judge that the expression of those views by US Presidents is an insincere cover for Realist or, as the New Left would have it, corporate ambitions?

So perhaps not all nations operate along the same lines.

Yet confronted by a cynical Australian populace, the progressives of the US look like aliens. In our Realism, we are just as culturally ego-centric as the US, expecting them to be like us because they look and sound like us. And thus the confusion, disappointment, disbelief and rejection when we find that they are not like us.

Each time an Australian (or European) complains that ‘the Americans are too self-obsessed, too intrusive, too ignorant of other peoples and their cultures’, they merely incriminate themselves as having little knowledge or understanding of the key influences in US history. ‘You’re not like me, so you’re the weird one’, neatly sums up the intellectual content of their argument.

Shaw was partly right—but that is not the full story. America is a country separated from the rest of the world by an uncommon culture.
Every week there seems to be a new study claiming some health benefit from food and other studies telling consumers that some foods will cause cancer. The media is full of stories detailing wonder diets, the obesity epidemic, the evils of food advertising and the ways in which food manufacturers set out to bamboozle consumers. And a common response by politicians, consumers groups, anti-import groups, allergy sufferers and specialist producers such as the organic lobby is to call for additional food labelling measures.

In 2001, three million Australian adults (20.6 per cent) were obese and their children are following them to an early grave, with 78 per cent of obese adolescents becoming obese adults. By comparison, 20 years ago, only 8 per cent of adults were obese. Obviously the current food labelling is not working to stop people eating too much fattening food. But what is the evidence that more or different labelling will have an effect in reducing obesity or any other food-related problem?

Current Food Labelling Laws
Originally, food labelling laws were a special case of prohibiting deceptive or misleading conduct and this remains their key purpose. Strawberry jam must contain strawberries, fat-free yoghurt must indeed be made from skim milk and be fat-free, a meat pie must contain meat (25 per cent) although unless it promises to be just beef, the meat can be buffalo, camel, rabbit or goat, which would probably surprise many consumers. Organisations such as the Australian Consumers' Association (ACA) regularly test foods and report on whether the foods are what they say they are on the label. Prosecutions are rare and in recent times have mainly been for mis-labelled fresh seafood rather than packaged goods. Few would claim that requiring food to be what it says it is constitutes excessive regulation.

Food labelling laws, however, go way beyond truth in advertising and prescribe nutritional panels, ingredients’ listing, country of origin, food additives, storage requirements, and GM presence amongst other items. The Website of Food Standards Australia New Zealand (FSANZ) provides a handy guide for regulatory critics as to just how bad the problem has become. The document ‘Food Labels What Do They Mean?’ itemises 12 different labelling requirements with which a yoghurt manufacturer has to comply to market a tub of strawberry yoghurt.

It’s All Too Much to Digest
Overheard in my local supermarket recently:

**Boy:** I want yoghurt, can we have yoghurt?
**Mother:** Does the label say gluten-free?
**Father:** No
**Mother:** Then we can’t have it. The doctor says we have to have gluten-free.
**Boy:** oh mum, pleeease?

A great deal of evidence, including from the regulator FSANZ itself, shows that people are confused about the messages presented on food labels and about nutrition generally. The family sketched above is not alone in not knowing that dairy products do not naturally contain gluten, so are not required to be labelled gluten-free.

Mandatory nutrition panels were introduced to Australia in 2002 with FSANZ using a single US study to claim that every year the panels were delayed would result in 320–460 deaths from diet-related disease. By contrast, food producers estimated that the implementation costs of the new

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labels was $350 million. No follow-up Australian studies have been done to verify whether changing the labels has actually resulted in fewer diet-related deaths and all consumers are paying the cost of the new labels, whether they work or not.

Beyond the issue of whether the labels actually work in changing consumption behaviour (especially to the extent needed to justify such a massive impost on industry and ultimately consumers), is the more fundamental problem that the more comprehensive the labels are made in attempting to cover every eventuality—be that allergic reactions, obesity, diabetes, high cholesterol, ADHD, or food intolerances—the more that the pleasures of a varied, seasonal, nutritious and delicious diet are lost. Eating five vegetables and two fruits a day, even with a Snickers Bar as well, is a better food choice than a diet with virtually no vegetables but filled with food well-labelled as low-fat and low-sugar. A recent South Australian study showed that only 6 per cent of adults regularly eat the recommended five vegetables and two fruits a day, despite considerable medical evidence that eating sufficient fruit and vegetables has a strongly beneficial effect on health. Labelling packaged food does nothing to encourage the consumption of fresh food and may actually have the opposite effect by lulling consumers into thinking that a low-fat or low-sugar label makes that product a better choice than a naturally healthy food such as an apple or a carrot.

An over-reliance on labelling sends out the wrong message that food is nothing more than its elements, rather than a sensory experience that may be delightful or disgusting depending on personal taste, and the skill of the cook! Some foods are naturally high in fat, for example olive oil and cheese, while some of the epicurean delights such as lemon tart, slow-cooked belly pork or eggs Benedict break the scales with their fat levels—yet within a balanced diet all can be accommodated without creating obesity. No label on an individual product can adequately capture the role that food is playing in an overall diet or the importance of variety and balance.

Yet More Labelling Demanded
Despite the mountain of existing requirements, the health minister, Tony Abbott, recently called for ‘improved’ food labelling to place the calorie content on the front of packages in a form easily understood by consumers. As Tony Abbott said, ‘current labelling requirements are a bit like the fine print in an insurance policy—it’s there, but almost no-one reads it, and those who do read it don’t necessarily know what it means.’

Could it be that the reason very few people read the nutrition panels is because that sort of information doesn’t work in changing most people’s food choices, especially not obese people’s food choices? Therefore, by putting a message on the front of a Mars bar that says ‘this product contains 1/8 of the daily food needs of a male who exercises three times a week’ is hardly going to provide useful information to a sedentary woman. Total calorie needs vary widely depending on sex, height, activity level and weight. Placing average (male) values on products will be misleading for anyone who is not an average man. Will we see future lawsuits from women who relied on the labelling but remain or become fat?

According to FSANZ, shoppers consistently ask for more information about exactly what food labels mean. The Authority’s research also found that there is general misunderstanding about nutrition, most people are unaware of percentage ingredient labelling and a majority of people do not understand the additives lists on labels. It is possible that no matter how much information consumers are given, how many times labels are redesigned to be ‘clearer’ or how much more detail is added to them, the problem remains that food labels are being required to do something they cannot do—that is, get people to make good, balanced food choices. And every time the laws are changed, all consumers pay the additional cost, irrespective of whether the changes work or whether they wanted them.

Regional Food Producers Hurt
Additional regulation, on top of the current prescriptive mountain of food labelling regulation, favours the big players who can afford new labels and more food testing in their own labs. By contrast, boutique producers face proportionately much higher costs in meeting changing labelling rules. As consumers, we lose as even more of the food available to us is made by major food multinationals.

Big food companies have a history of supporting increased levels of food regulation, particularly in relation to labelling. They supported nutrition
Every time labelling requirements are changed, it is small and medium food producers who are hit hardest.

panels, extended ingredient lists and the inclusion of glycemic index (GI) information on labels.

When the large food manufacturers recently met with Tony Abbott, they knew that food labelling regulation is not about getting fat people to eat less high calorie food. No company would deliberately set out to reduce sales of their own products. Instead, increased labelling regulation is all about getting regulations which help big companies at the expense of smaller ones; the right regulatory regime can be very effective in shutting out new entrants and reducing the profitability of smaller, leaner competitors.

Beyond the mass food producers are tens of thousands of small and medium Australian food producers who make about 15 per cent of what we eat. These include regional gourmet producers of everything from olive oil to sheep’s milk, cheese and yoghurt and organic food manufacturers. However, this group also includes many medium-sized food companies who compete against the major manufacturers in small goods, dairy and some grocery lines. Together, these small and medium producers create some of the most delicious and nutritious food we eat.

Most regional and traditional producers make products which are inherently high in calories: olive oil, cheese, ice-cream, bread, biscuits and salami. Small producers do not invest millions of dollars to create fat-free dairy products, low-calorie snacks or a low-fat cheese kransky. Instead they make real food, with natural ingredients, some of which are naturally high in fat. We should support them—by buying their products, but also by not demanding irrelevant packaging which makes their food uneconomic to produce.

Every time labelling requirements are changed, it is these small and medium sized food producers who are hit hardest. The big guys can spread the cost of a label change over the millions of products they sell so that, in effect, changing a label is costless to them, whereas for a small producer, changing the packaging on a product of which they only make a few thousand will add significantly to the cost, particularly if they make a range of different products, for example, relishes with varying ingredients. A recent analysis by the Centre for International Economics concluded that introducing additional country-of-origin labelling resulted in cost increases of 14 per cent for small enterprises, but less than 2 per cent for large firms.

Regulating for the Squeaky Wheel

Ironically, those consumers who clamour loudest for ever-increasing food labelling are often the same people who rail the most against the market power of multinationals and who personally try to support smaller companies and frequent farmers’ markets. It is doubtful that many of these, the most articulate of consumers, would recognise the contradictory nature of the two positions they espouse, yet it is the very nature of their capacity to make their voices heard above others, with what appears to be a reasonable and cost-free argument, that has led to the imposition of excessive labelling requirements on the very small, boutique and gourmet producers they want to support, while at the same time doing nothing to stem the rising tide of obesity and food-related illness.

So rather than advocating more labelling, perhaps it is time it was recognised that most people do not use food labelling to make purchase decisions, even if they say they do. Indeed the most recent analysis suggests that only 10 per cent of consumers look for country-of-origin labelling and the most used label, other than the product name and price is the use-by date, not any of the nutritional labels.

Provided that no health claims are made, nutritional labelling should be optional. If consumers really value such labelling, they will look out for those products which provide it and shun those without it. This is already how organic labelling works in Australia. There is no government requirement for organic labelling, consumers have shown a willingness to pay premiums, sometimes very large premiums, for organic food and the capacity of a product to carry an organic label is highly sought after by the organic industry. Similarly, ‘GM Free’ caters to a perceived market for products which don’t contain any GM ingredients. The market has proved very adept at capturing any price premiums available from labelling, yet this is often forgotten in the ceaseless calls for still more information.
What really happens when you ban smoking

Hugh Tobin

Smoking bans seem to have strong public support and are being rolled out all over the world. In Australia, graphic warnings have been introduced on cigarette packaging, and many States have banned smoking on public transport and at tram, bus and train shelters. Already, in Victoria, more than 330 on-the-spot fines have been issued to commuters since the bans came into effect on 1 March 2006. On 31 July this year, smoking was made illegal in Western Australian pubs and clubs. Victoria, South Australia and Tasmania will ban smoking in clubs and bars in 2007 and bans have applied in NSW for over 12 months.

But policy-makers need to consider the consequences of this unprecedented government intervention being imposed on our lives. Smoking is, after all, legal.

It is questionable whether smoking bans inside venues will even have their intended effect. A paper published by the Australian National University’s Centre for Economic Policy Research this year found that while taxes on cigarettes had a significant impact on reducing passive smoking, banning smoking in public places had, on average, no effect at all. Instead, bans can adversely increase people’s exposure by displacing smokers to private places where they contaminate non-smokers, primarily children. It seems perverse to be shifting smoking back into the home, particularly considering that 94 per cent of the $5 billion spent on health care costs relating to passive smoking were spent on children.

Bans on popular activities like smoking always have unintended effects—it is hard to stop individuals from doing the things they enjoy, legal or illegal. One of the more unexpected problems from the smoking bans that has already been noticed in some venues is problems with sweat and other odours. According to Scotland’s Sunday Mail, nightclub owners are pumping scented smoke onto dance-floors to deodorise sweat and flatulence smells which were formerly masked by cigarette smoke. From personal experience in Sydney nightclubs, where bans are already in place, it seems that Australian clubs are having a similar problem, and clubs in Melbourne are spending money preparing their venues for this consequence.

In New Zealand, where bans have been implemented since 2004, the New Zealand Press Association reported in September that illegal bars have been set up in garages and basements with people taking advantage and charging for admittance. Hikurangi Hotel (a legal establishment) spent more than $8,000 constructing a covered outdoor area for smokers before the smoke-free legislation was introduced on December 2004, but still found takings fell by about a third. The hotel owner said that the disappearing patrons were frequenting garage bars in his township, which did not have to adhere to the smoke-free legislation or alcohol laws.

‘What annoys me is that these places aren’t covered by the same rules. If somebody lights up inside we can get fined. Plus there’s all the regulations we have to comply with,’ he said.

Apart from people simply avoiding licensed venues because of the laws, there are those finding new ways to bend the rules. Innovative new ways of delivering nicotine to the body are now being marketed. A beer which contains nicotine has been launched by a German company. Other people have converted to chewing tobacco, which then has to be spat out. In order to make chewing tobacco a more socially acceptable practice, Reynolds America has started selling pouches of tobacco which are absorbed through the cheek but don’t involve chewing or spitting.

In Calabasas, in California, they have effectively banned smoking in all outdoor places. No doubt Australia will move towards regulations such as these in the future. But governments should remember that while they can make any regulations they like, they can never predict the consequences of such regulations—such as body odour and flatulence problems.

Hugh Tobin is Associate Editor of the IPA Review.
Around the tanks

**Did the Soviets collude? A Statistical Analysis of Championship Chess 1940-64**

Charles C. Moul and John V. Nye

Did chess players from the former Soviet Union act as a cartel in international tournaments—intentionally drawing against one another in order to focus effort on non-Soviet opponents—to maximise the chance of some Soviet winning? Using data from international qualifying tournaments as well as USSR national tournaments, the authors estimate models to test for collusion. The results are consistent with Soviet collusion, rather than competition.


**Corruption—the World’s Big C**

Ian Senior

France is the most corrupt country in the developed world, according to a study published by the Institute of Economic Affairs.

The study of corruption in the developed world by economist Ian Senior awards Olympic-style medals for corruption at different levels of government and society, so that corruption by Presidents and Prime Ministers results in a gold medal and corruption by lesser politicians and officials leads to the award of silver or bronze medals.

According to this method, at the head of the medal table France receives four gold medals, Japan three gold medals and Italy two.

http://www.iea.org.uk/record.jsp?type=publication&id=324

**Less Choice is Better, Sometimes**

Franklin B. Norwood

Psychological experiments have revealed that more choice does not always make one better off. For example, consumers are sometimes more likely to purchase a product from a small variety than a large variety. Some have suggested that this excessive-choice effect may have implications for how well markets serve society. This paper constructs an economic model where the excessive-choice effect results from search costs. The model shows that it is possible for markets to produce too much variety, but there are also incentives inducing markets to provide an optimal variety.

http://www.bepress.com/iafio/vol4/iss1/art3/

**What Every Citizen Needs to Know About Global Warming**

Iain Murray

Alarm over the prospect of the Earth’s warming is not warranted by the agreed science or economics of the issue. Global warming is happening and Man is responsible for at least some of it. Yet this does not mean that global warming will cause enough damage to the Earth and humanity to require drastic cuts in energy use, a policy that would have damaging consequences of its own. Moreover, science cannot answer questions that are, at heart, economic or political, such as whether the Kyoto Protocol is worthwhile.


**Counterfeit Medicines in Less Developed Countries: Problems and Solutions**

Julian Morris and Philip Stevens

Much of the debate surrounding counterfeit medicines to date has focused on how to prevent them seeping into the supply chains of developed-country markets. The majority of counterfeit medicines originate in Less Developed Countries (LDCs), including most of those that end up in the US and EU.

Steps should be taken to change the incentives faced by counterfeiters in LDCs participating in the production and trade of counterfeit pharmaceuticals.


http://www.iae.org.uk/record.jsp?type=publication&id=324

**Cultures of Corruption: Evidence from Diplomatic Parking Tickets**

Ray Fisman and Edward Miguel

The authors exploit a unique natural experiment—the stationing in New York City of thousands of government officials from 146 countries from around the world—in a setting of zero legal enforcement of parking violations to construct a revealed preference measure of official corruption. They find that this measure is strongly correlated with existing measures of home country corruption.

Cultural and social norms related to corruption are quite persistent: even when stationed thousands of miles away, diplomats behave in a manner highly reminiscent of officials in the home country.

http://www.usc.edu/schools/business/FBE/seminars/papers/AE_4-28-06_FISMAN-parking.pdf

**Cuba the Morning After: Confronting Castro’s Legacy**

Mark Falcoff

Many people no longer think of Cuba as a major threat. In fact, there is a wide belief that when Fidel Castro is gone, Cuba will become a free-market democracy.

The author challenges both assumptions in Cuba the Morning After, a major study of US–Cuban relations. He suggests that this island is mired in history and fantasy—in thrall to an economic and social system that does not work and cannot work. Communism has shattered a once-rich civil society, one that cannot be rapidly reconstructed, particularly in the absence of a small-business class and a freer access to organised political activity.

If only he was the last...

John Roskam reviews
Arthur Tange—
Last of the mandarins
by Peter Edwards
(Allen and Unwin, 2006, 336 pages)

Australians like to think they live in a democracy and that, in democracies, elected politicians determine what governments do. This outstanding biography proves much of that theory wrong.

Few people other than public service aficionados have ever heard of Arthur Tange. But as Secretary of the Department of External Affairs for a decade from 1954, and then as Secretary of the Department of Defence from 1970 to 1979, Tange had a decisive influence on the country’s foreign and defence policy. He was at least as important as any of his ministers and he was more important than most.

We are still managing the aftermath of the decision that Tange and others made in 1958 to not go to war with Indonesia over West Guinea—a decision that ultimately led to what is today called West Papua being incorporated into Indonesia. In the 1970s, Tange was one of the earliest advocates of what is known as the ‘Defence of Australia’ doctrine, under which Australian military forces would concentrate on defending national territory rather than engaging in ‘expeditionary’ activities overseas. Debate about the doctrine is alive and well today.

Arthur Tange—Last of the mandarins reveals the consequences of what happens when governments and ministers come and go, but public servants don’t. Public servants can gain immense power, and generations of the public servants have sought to disguise this power by claiming that they merely gave advice to ministers which is ‘frank and fearless’—ministers are free to come to their own conclusions.

If only it were that simple. Forceful and intelligent personalities, such as Tange, have the capacity to direct policy in a myriad of ways. If only it were that simple. Forceful and intelligent personalities, such as Tange, have the capacity to direct policy in a myriad of ways—and they do. Under Fraser, Tange reached the apogee of his influence. Fraser had greater trust in Tange than he did in many of his ministers.

Peter Edwards is Australia’s leading diplomatic historian and his latest work is much more than the life story of a long-serving bureaucrat. Edwards achieves his ambitious task of putting Tange’s career into the context of the domestic and international events of the period. He particularly succeeds in rescuing the forgotten years of Australian history from 1945 to 1972. Historians usually take this to be the period of Menzies-inspired somnolence—it was anything but. Post-war Coalition Governments had to manage their way through the Cold War, the Korean War, Suez, West Papua, the Indonesian Konfrontasi with Malaysia, and then Vietnam.

Reading about unpleasant people is always more interesting than reading about nice people, and Edwards has some good material with which to work. Tange was a dictatorial bully who enjoyed his subordinates cowering in fear. It sounds as though he didn’t even say good morning to his secretary:

He [Tange] would enter the office with the curtest of greetings to his loyal and long-suffering secretary, Sylvia Brown, and whichever young male diplomat was serving at his executive assistant, then slam the door to this office as if it had no right to be there. Often the slam would displace the same picture on the same wall by the same amount as it had the previous day, and the day before that. At his insistence he would be brought a cup of tea at precisely 10 each morning and another at precisely 10.10. Their arrival and the removal of the empty cup would pass without thanks or other time-wasting courtesies.

The fact that Tange kept on getting promoted speaks volumes about the condition of the post-war public service. Thankfully Edwards doesn’t delve too far into the realms of psychology to explain such behaviour, except to note the comment of Roden Cutler which was that Tange’s rudeness was a product of his shyness. Shy or not, Tange was someone who few wanted to work for, or work with. On his retirement, he was not appointed to the board of any private or public sector company.
The other side of Tange was his steel-trap mind, and this, together with total lack of fear of anyone made him indispensable to ministers. Garfield Barwick, like Tange in many ways, particularly appreciated these qualities. In contrast, Paul Hasluck and Tange had a hearty dislike of each other. Hasluck thought that Tange was the representative of a particular class of public servant—those who were ‘inbred’, self-satisfied, and who believed their own publicity. Hasluck was to write that the External Affairs department in the 1950s and 1960s:

had the attitude that foreign affairs was a mystery in their own keeping. While other departments kept Cabinet will informed of their hopes and fears, ‘External Affairs often seemed to have the attitude to Cabinet that bright young men have to their parents: ‘It’s no use trying to explain it to you. You would not understand.’

One of the many strengths of the book is the way in which Edwards captures the mentality that Hasluck described. What emerges starkly from the pages is the sense of superiority possessed by Tange and his compatriots. The diplomatic ‘professionals’ understood the world far more clearly than did ministers and governments, and it didn’t much matter whether those ministers and governments were Coalition or Labor.

Tange did much to establish the ‘department line’ from External Affairs—a line described by Edwards as ‘a sort of middle way’ between the policies of the two sides of politics. On the one hand, there was ‘the fervent idealism of Evatt and some of his close associates, who treated the United Nations as the best means to solve virtually all international disputes’. Against this, there was ‘the dismissive condescension of Menzies and Casey, who resented the time and effort they had to give to what they regarded as an ineffective talking-shop, increasingly dominated by countries with views hostile to Australia and its friends’. As Edwards documents it, neither of these ‘extremes’ appealed to people such as Tange because diplomats ‘are trained to pursue their national interests, but with a professional preference for conciliation rather than confrontation’.

It seems to have escaped Tange that, of the two sides fighting the Cold War, one side was clearly preferable to the other.

The problem arises when diplomats’ perceptions of what is in the ‘national interest’ conflict with those of the democratically-elected government. And such was the case with Indonesia. In the face of suspicion and hostility towards that country by both the Coalition and the ALP, External Affairs consistently pursued a policy of engagement, arguing that it was in Australia’s best interest to be on good terms with whatever government (either communist or not) controlled the Indonesian archipelago.

The readiness of diplomats to abandon principle in favour of ‘balance’ and ‘conciliation’ is demonstrated in Edwards’ revealing discussion of Tange’s time as High Commissioner to India in the late 1960s. At a meeting with Krishna Menon, the rabid anti-American, pro-Chinese Indian politician, Tange was concerned that because he was Australian, Menon would automatically assume that therefore he was pro-American. The fact that Australia was allied to the United States seems to have escaped Tange.

Another thing that seems to have escaped Tange was that of the two sides fighting the Cold War, one side was clearly preferable to the other. The implication of Edwards’ research is that Tange had difficulty appreciating that the Soviet Union was not the moral equivalent of America. In 1966, Tange complained that the Coalition Government was using value-laden terms such as ‘communist aggression’ and ‘free countries’. He asked rhetorically whether it was ‘unnecessarily provocative to talk about the ‘free world’. Free from what? If Tange didn’t know what, in 1966, the ‘free’ world was free of—as it appears he didn’t—then he laboured under some very serious misconceptions.

Arguably Tange’s greatest success came in November 1976 with the publication of a Defence White Paper. As secretary of the Department of Defence, the paper carried Tange’s imprimatur. The paper was the ‘foundation document’ of national strategic policy for next 25 years, and it argued that the country’s defence forces would not be involved in any large-scale deployments beyond Australia’s shores—instead the focus was to be on the defence of the continent. This ‘isolationist’ outlook was first endorsed by Whitlam, and a few years later it was blithely accepted by Fraser. (Of course it is the very opposite of the position taken under John Howard.) Edwards notes that “Tange found it immensely satisfying that a conservative government had endorsed many of the principles that he had been pressing on Labor and coalition governments for years, and that had been considered controversial and dangerous when adopted by the Whitlam government”. Indeed.

Arthur Tange—Last of the mandarins is an essential companion to an understanding of Australian post-war diplomacy and politics. The conclusions one can draw from it are more than a little concerning.
In search of Smith’s legacy

Chris Berg reviews
Adam Smith and the pursuit of perfect liberty
by James Buchan
(Profile Books, 2006, 288 pages)

If an economic philosopher is to be judged by his sound bites, then Adam Smith’s best lines come not from his great masterpieces, but from a paper delivered in 1755, as reported by a friend:

Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes and a tolerable administration of justice.

All governments which thwart this natural course, which force things into another channel, or which endeavour to arrest the progress of society at a particular point, are unnatural, and to support themselves are obliged to be oppressive and tyrannical.

Twenty years later, his masterwork An Inquiry into the Nature and Causes of the Wealth of Nations would contain nothing so radical.

James Buchan’s short intellectual biography of Adam Smith pivots around the publication of his Wealth of Nations and the earlier The Theory of Moral Sentiments. Spartanly but engagingly written, Buchan depicts an Adam Smith cursed by ill-health for his whole life. The racy novelist Marie-Jeanne Riccoboni, who befriended him while he stayed in France, described him as ‘ugly as a devil’—she hated his voice and found him terribly absent-minded, but loved his sentimental philosophy.

Buchan describes in his introduction how both sides of politics have tried to claim themselves as the heirs of Adam Smith—long adored by the free-market right, reform-minded Social Democrats now try to co-opt his legacy. Buchan chastises both Alan Greenspan and Gordon Brown for inappropriately calling upon Smith’s ghost, but it would be interesting to see where the biographer ultimately stands on this.

Certainly Smith was not a dogmatic libertarian by modern standards. He saw a role for the State in education, if under a peculiar justification. The division of labour, he worried, would make the poor into specialised idiots, men who were ‘mutilated and deformed’. Public education would help alleviate their intellectual isolation, and lower the chances that their minds could be corrupted by the baser elements of political thought. He had a remarkably unenlightened view of women, but subsequent feminist authors made much of his theories by applying them more equitably.

Buchan rightly makes note of the misuse of what has wrongly become Smith’s signature term ‘the invisible hand’. Indeed, the ‘invisible hand’ was rarely used in Smith’s writings, only once in each of the Wealth of Nations and The Theory. An out-of-context quotation from the Wealth of Nations has imparted upon it the meaning it has for modern commentators: an economic actor is ‘led by an invisible hand to promote an end which was no part of his intention.’ Smith, in this case, is talking about merchants who choose to store their wealth at home rather than overseas for security purposes, and therefore raise the aggregate wealth of their home nation.

However misquoted or misunderstood, the ‘invisible hand’ has since become the universal metaphor for the workings of a free market. Buchan notes that while Adam Smith was not a particularly religious man, his metaphor helped illuminate his message to his students, most of whom were training for religious careers. The Theory is peppered with such references: Smith refers to the Great Superintendent, the Great Conductor, Benevolent Nature and the Superintendent of the Universe.

But, co-opted by economics teachers as a metaphor for Hayekian spontaneous order, its use just about gives the game away. If all that is required to shift resources efficiently throughout an economy is an omniscient designing mind, could not a sufficiently enlightened public servant, equipped with the best technology and intellectual expertise, do well enough to make it worth trying? But it is the process of voluntary exchange that creates the order of a market, and without perfect omniscience, no planner could replicate its results. While the metaphor holds, it also leads to unfortunate hubris on the part of planners who presume to replicate the invisible hand with their visible fist.

A short postscript he wrote for his friend David Hume’s autobiography, who had attacked the religious sensitivities of establishment England at the time, caused Smith much greater problems than the Wealth of Nations, which had attacked the entire British commercial system. Buchan’s brief overview of Smith’s life gives us an engaging account of this man whose greatest work is now gathering the controversy it deserves.

IPA REVIEW

OCTOBER 2006
The sub-heading of Gordon Wood’s latest book is ‘What made the founders different’. It is a topic that has never fully been settled by historians. Contemporary left-wing historians would offer a simple answer: nothing. They were like all other politicians, with big ideas not being realised. Slavery was not abolished under the revolutionary generation, women did not achieve equal rights, and inequality remained, and still remains, an inherent problem in American society.

Gordon Wood, author of the earlier Pulitzer prize-winning The Radicalism of the American Revolution, proposes a different answer in Revolutionary Characters. Wood addresses the intellectual framework that originated with the founders and the ideas that to this day still embody the republican spirit of modern America.

Ideas emerge within individuals, through their experiences, their education, and a multitude of other factors. Wood concentrates on the characters of the eight people studied. It is the creative originality of the founders, their ability to experiment with new ideas and challenge previous conceptions that accounts for their success and longevity. Slavery was not abolished, yet slave-owners were forced to defend themselves. Women hadn’t achieved equal rights, but the notion of equality was for the first time brought to centre stage.

Hence the founders put into place the principles that led inexorably to the changes they envisioned, and in which we share today. When Lincoln spoke of ‘a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal’, he had the revolutionary generation to thank.

The book itself is a collection of nine essays that have either appeared as shorter or longer essays written by Wood. Chapter 2 is simply a summary of Wood’s previous biography of Benjamin Franklin, and indeed, with the exception of the introduction and epilogue, each essay deals with one of the major revolutionary actors.

Wood has chosen to compile these particular essays with the intention of creating a consistency in theme and argument, and Revolutionary Characters invites comparisons with twenty-first century America.

To Wood, each founding father represents a particular value, or idea, that encompasses American republicanism. The sum of the values contained within the founding fathers was the very essence of the principles upon which American society was built.

Washington, for example, was the first classical hero, Franklin embodied the American dream, Jefferson was the champion of the people, and Hamilton the creator of the modern American state.

Wood’s most interesting essay, however, deals with the character of the lesser known Aaron Burr, the third Vice-President of the United States and the man who would eventually shoot and kill Hamilton in a duel.

‘Unlike the other revolutionary leaders’, writes Wood, ‘Burr offered little in the way of political principles or a public vision’. Described as ‘a mere matter of fact man’, Burr had no philosophy or theory to which he devoted his career. His opinions on the newly born nation are hard to come by, and his surviving letters are drenched with secrecy and corruption. ‘He seemed born for political power’, writes Wood, but that appears to be where the ambition ends. His contemporaries would have regarded him as a failure, though we today might regard him as a textbook example of a political hack.

It is the difference in background between Burr and his peers that is the key to Wood’s analysis. Unlike Franklin and Washington, Burr received a college education. And unlike most of the founders, Burr was born into a well-known aristocratic bloodline. John Adams himself would note that he had ‘never known, in any country, the prejudice in favour of birth, parentage, and descent more conspicuous than in the instance of Colonel Burr’.

Indeed, only eight of the 99 people who signed either the Declaration of Independence or the US Constitution are known to have had fathers who had attended college. It was this aristocratic heritage of Burr’s that Wood sees as hurting the revolutionary cause. Aristocracy was associated with monarchy, and monarchy was associated with war.

The fear of another early war with Britain was real, as it was with France.
That ‘Burr threatened nothing less than the great revolutionary hope’ helps emphasise what Wood sees as the ultimate goal of republicanism:

Throughout the eighteenth century liberal intellectuals had dreamed of a new enlightened world from which corrupt monarchical diplomacy, secret alliances, dynastic rivalries, standing armies, and balances of power would disappear. Monarchy, unresponsive to the will of the people, was the problem. Its bloated bureaucracies, standing armies, perpetual debts, and heavy taxes were the consequences of its perennial need to wage war. Eliminate aggrandizing monarchies and all their accoutrements, and war itself would be eliminated.

Historians who judge the founding fathers as having failed the American people by not ending slavery, not enhancing the status of women or protecting the rights of native Americans, do not understand the power of ideas, and place too much weight on the role and capability of government.

The revolutionary period proved, above all else, that no government, even one comprising the most brilliant individuals ever to hold public office, can fully determine the course of events. No amount of planning could have prevented the rapid and aggressive expansion West, or the increasing demand of slaves by the southern colonies.

Ultimately a nation’s future resides in its people, not its leaders. This was a conclusion drawn by the very doctrine of republicanism and the placement of ultimate sovereignty with the people and not the ruling few. The founders’ gift was to empower later generations with the principles and ideas that would provide the processes of democratic politics in the centuries to come.

One of the most astonishing aspects of the revolutionary generation was the sheer density of talent that emerged in the second half of the eighteenth century. This was the period of the Enlighten-
Tim Hickman reviews
_Please Just F* off, It’s Our Turn Now_ by Ryan Heath, (Pluto, 2006, 228 pages)
&
_The Education of a Young Liberal_ by John Hyde Page (MUP, 2006, 328 pages)

Life begins at 40; politics begins well before

Please Just F* Off, It’s Our Turn Now, and _Education of a Young Liberal_ say considerably more about their authors than they do about anything else, despite the fact that one is about matters of policy, the other about pure politics. Ryan Heath, author of _Please Just F* Off, It’s Our Turn Now_ has been a student politician, an ALP staffer, a ‘refugee advocate’, and now lives in London where he is a bureaucrat. Heath has a tendency to rely on personal example for his arguments, which is largely unconvincing: ‘I know in my bones that Australia is no longer the lucky country it thinks it is’.

John Hyde Page, author of _Education of a Young Liberal_ graduated from the highly regarded Cranbrook School in Sydney and, fuelled with an overwhelming desire to become President of the NSW Young Liberals, and then move into politics, which he claims as his main motivation throughout most of the book, rose through the ranks of the ‘Moderate’ faction of the NSW Liberal Party to become a notorious branch-stacker and all round political hack.

Heath’s basic argument is that the Baby Boomer generation has harmed Australia, and that the cost is being borne by those born after 1970. Heath premises the need for Boomers to fuck off on the predictable basis that Australia is greatly inferior to the rest of the world. Because our cities ‘have none of the chaos and atmosphere of Asian cities, are not over-the-top like the US, lack the sheer depth of historic Europe’, he opines, we are in danger of falling behind the rest of the world, and intelligent 20-somethings are leaving as quickly as they can.

According to Heath, his generation defies conventional labelling, such as ‘Baby Boomer’ or ‘Generation X’. However, he goes on to explain that this generation could be considered the ‘responsible’ generation, because of connotations of inclusiveness and diversity. Heath goes on to cite the example of illegal drug use—his belief that young people these days take drugs in a more responsible manner than say, baby boomers did, is presented as an example for such responsibility.

Whether taking drugs at all is responsible is a question that seems to have slipped his mind.

Another chapter of the book, ‘I ♥ Capitalism, it’s not 1968’, is a refreshing piece of realism that many of his former colleagues in the National Union of Students would do well to read. To the rest of the population, it is no great revelation. Heath also profiles charitable initiatives in which young people are involved, which are certainly worthwhile and encouraging. Two trends he identifies are those of increasing media diversity, and the increasing tendency for individuals to spend only short periods of time in any one job. It is disappointing, however, that for all the time and effort spent in identifying trends, Heath is unable, or unwilling, to nominate policies that should logically follow, such as deregulating the media and labour markets.

Heath’s best piece of analysis is that of the housing market, especially how it is increasingly difficult for young people to purchase homes, largely as a result of existing property owners, baby boomers, lobbying against development, and in favour of tax breaks for property ownership such as negative gearing. ‘[W]hen you watch these people … sign petitions against freeways and then petitions against a proposed block of flats down the road that, if built, would mean the freeways for commuters wouldn’t be necessary, it’s hard not to be cynical’. Unfortunately,
Heath neglects to mention the vital issue in driving up house prices, that is, the government-created shortfall in land available for development. In Sydney, for example, land as a percentage of the overall cost of a home has risen from 33 per cent to 78 per cent. A reduction in the land rationing caused by planning, which would let the market, not the government, determine the best use of land would have a far greater effect on housing affordability than abolishing negative gearing.

‘Australian under-achievement’ is explored in considerable detail. This includes unoriginal arguments against HECS fees, arguments about the need for so-called ‘Corporate Social Responsibility’, the alleged exodus from Australia by young people, the lack of media diversity, and a boring political scene. These arguments vary in depth and quality, the highlights being a sound analysis of the ABC ‘domain of the white over-forties’, and criticism on the restriction of entry into the media market, such as government controls on radio bandwidth. Heath concludes with some policy ideas to increase young people’s engagement in the political process, such as extreme environmental policies, and more money for education.

Heath’s work makes for an interesting contrast with John Hyde Page’s, Education of a Young Liberal. Hyde Page’s biographical work provides a fascinating insight into the inner workings of political parties, a topic which has, with the exception of The Latham Diaries, been the subject of very little attention in the popular press. Indeed, the front cover of the book features a quotation from Mark Latham about the ‘corrosive impact of machine politics on young people in this country’. The book is largely a collection of anecdotes, which vary between humorous and disturbing, while illustrating a culture of factionalism and branch-stacking in the Young Liberals which is of considerable concern.

Hyde Page’s introduction to the Young Liberals is fairly innocuous, attending a number of social functions and doing some basic campaigning, before working his way to near the top of the moderate faction. His mentor was a man named Michael Braddon, whose relationship with Hyde Page is the focus of much of the book. Braddon was a political hack par excellence, blessed with a quick wit and charm, and as Hyde Page puts it ‘a rare and dangerous gift of being able to instil psychological and emotional dependence on those around him’. Braddon was also emotionally unstable. Although Braddon and Hyde Page later have a drastic falling out, his influence on Hyde Page is profound.

The battle between the Moderate and Right Wing factions is often amusing, bordering on the absurd. Hyde Page details how two Liberal Clubs would set up stalls at O-Week at University, one with stickers containing slogans such as ‘Socialism Sux’, or ‘F**k off Lefy Scum’, and petitions supporting VSU, while another Liberal stall would have pamphlets from ATSIC, the Australian Republican Movement, and the Australian Conservation Foundation, as well as a petition opposing VSU. From this it is difficult to reach a conclusion—other than that the Right are somewhat more attuned to the mainstream of the Liberal Party and indeed of Australia as a whole.

Factionalism proves to be destructive for both the Liberal Party and the individuals within it. Many talented and interested people either quit the Party or were stacked out of their positions. Hyde Page himself has feelings of doubt early on, ‘I don’t think I will ever forget the ashen look on Lachlan Bennett’s face when the people he had welcomed into his branch appeared out of the blue and took it all away from him’. Hyde Page goes into some detail on the lifestyle that factional hacks live, many resorting to alcohol and almost cut off from mainstream society, for the sole purpose of having power within the Liberal Party.

The book is a great insight into the workings of the Liberal Party in NSW. However, it is doubtful that Hyde Page can be divorced from his standing as a factional player. Pseudonyms are used for certain members of the Moderate faction, but never for those from the Right Wing. Hyde Page’s claimed justification for leaving the Young Liberals was that he was disillusioned with factionalism. However, it also came at the time when he had finally realised that his ambition to become President of the NSW Young Liberals was unable to be fulfilled. Often, criticisms of the Right-Wing seem to be petulant and take the factional line, as opposed to being a serious critique of individuals or policies espoused.

The lack of life experience of both writers manifests itself in their work. Ryan Heath has provided an interesting policy agenda, but is severely limited in his analysis. Although at times he can provide the reader with thought-provoking and common sense argument, too often he has a tendency to back up argument with little more than personal experience, and occasionally, simple prejudice towards baby boomers. Hyde Page writes from a biographical perspective, but unquestionably many of his actions in the book were reckless and damaging to himself and others around him. Undoubtedly, he was immature and to some extent vulnerable to manipulation, although this cannot excuse his conduct. Irrespective of what one thinks of his personal conduct, Hyde Page tells a fascinating story, which anyone interested in Australian politics should find as interesting as it is disturbing.
Anyone who takes an interest in foreign policy will know that the relationship between the United States and continental Europe has been becoming increasingly rocky over recent years. Growing disagreement over foreign policy across the Atlantic has been at its most obvious since the argument over whether to go to war with Iraq, although tensions have been rising for a much longer period of time.

The reasons for this transatlantic split were analysed a few years ago by Robert Kagan in his short but brilliant book Of Paradise and Power. His basic thesis was that after the horrors of the twentieth century, Europe had decided to move beyond power politics into post-history, a ‘self-contained world of laws and rules and transnational negotiation and cooperation’. In doing so, Europe became increasingly hostile to the exercise of military power, even by traditional allies such as the United States. However, in this lay a great paradox—it was only because the United States remained mired in history and was still willing to continue to exercise military power in the Hobbesian world outside of Europe, that Europe was actually able to enter into post-history.

In The Cube and the Cathedral, the noted Catholic thinker George Weigel has made a further contribution to this debate. While acknowledging the brilliance of Kagan’s analysis, he thinks that it does not go far enough, and that the roots of the growing transatlantic divide are in fact much deeper. Furthermore, those deeper differences, when properly understood, raise a whole set of new issues not addressed by Kagan that go to the heart of the future of Western civilisation.

Fundamental to Weigel’s thesis is the idea that culture, including religious belief, is the primary driving...
force of history. To understand what has happened in Europe requires an understanding of the cultural and religious forces that have been working in the continent over many centuries, rather than a conventional economic or political analysis such as that undertaken by Kagan.

Weigel begins by contemplating La Grande Arche in Paris: a gigantic cube almost 40 stories tall built as a human rights monument to mark the bicentenary of the French Revolution and the Declaration of the Rights of Man and Citizen. La Grande Arche is so large that it would swallow the Cathedral of Notre Dame in its entirety. Thinking about this gigantic monument causes Weigel to wonder which culture would better protect human rights and more firmly secure the moral foundations of democracy—the culture that produced the stunning but featureless cube or the earlier and now rapidly fading culture that produced the cathedral.

It does not take long to ascertain that Weigel believes it is the cathedral that would in fact better protect human rights and democracy. It is clear, however, that Europe has in fact gone down the opposite path and turned its back on the cathedral—as Weigel puts it: 'European man has convinced himself that to be modern and free, he must be radically secular'. In a historical tour de force that takes up most of the book, Weigel then suggests that it was the development of atheistic humanism over a period of hundreds of years that led to the horrors of World War I, which has in turn led to a resulting crisis of ‘civilisational morale’ that has been afflicting Europe ever since, although this crisis has only become visible since the end of the Cold War.

The implications of the crisis of civilisational morale that has engulfed Europe are enormous—perhaps the most obvious one being that it is failing to reproduce itself. Fertility rates in many European countries have dropped to extremely low levels. As a result, Europe will soon no longer have the workers to pay for its enormous and ever-growing welfare state. Furthermore, the demographic vacuum is being rapidly filled with immigrants from Muslim countries, a growing number of whom are adherents to fundamentalist Islam. These are developments that threaten to completely change the very nature of Europe within the next one or two generations.

It is clear that Europe has turned its back on the cathedral.

For those who don’t live in Europe, why does this matter? Weigel suggests three answers to this question. First, as members of Western civilisation, we should not be indifferent to our European cultural roots. Second, Europe’s demographic meltdown and the possible filling of the vacuum by an increase in the influence of militant Islamic populations in Europe would represent a profound threat to the security of the United States (and, by implication, much of the rest of the world). Third, there are numerous disturbing parallels between what has already happened in Europe and what is increasingly starting to happen in the United States (and again, by implication, many other Western democracies). If we do not learn from Europe’s mistakes, we may be doomed to repeat them.

Even though written from a Catholic perspective, people of other faiths or even no faith at all should still find the over-arching thesis to be extremely thought-provoking. Weigel fills an important niche in this broad topic by not being afraid to talk about religion in his attempt to understand what has happened to Europe. Indeed, it is almost a certainty that religion is going to be one of (if not the) defining influences of the twenty-first century, with the increasing influence of Islam in the West and the rapid rise of Christianity in the South. Those who neglect the impact of religion will find the world an increasingly difficult place to understand as the twenty-first century progresses.

There is an important warning for both Australia and other Western democracies in this book. We should not forget our cultural roots and where we have come from. If we do, we run the risk of creating our own crisis in civilisational morale.

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DEAD MAN DANCING
Six ‘zombies’ were recently arrested in downtown Minneapolis on suspicion of carrying ‘simulated weapons of mass destruction’. The six friends were dressed in tattered clothing, covered in fake blood and were carrying bags with wires hanging out of them while meandering and dancing to music at a zombie dance party in July. ’They were arrested for behaviour that was suspicious and disturbing’, said a police spokesperson. The suspected weapons were actually backpacks modified to carry stereos. One of the ‘zombies’, Kate Kibbie, said that, the year before, more than 200 people had been allowed to take part in a zombie pub crawl without incident.

A HARD-EARNED THIRST
An Australian man who fell almost 30 metres down a ravine in Canada last month managed to keep hold of his stubby of beer as he fell. When rescuers eventually got to the man he was still holding onto the beer. The man, who had apparently been drinking heavily, fell when he climbed up onto a railing over the ravine to try and relieve himself. A witness told a Canadian news service that the man had maintained a firm grip on the beer as he tumbled down the ravine. ’It just so happens he had a beer with him when he was brought up’, said fire department Captain Rick Matsen.

FORCE FEEDING YOUR CHICK IS NOT ON
Chicago has become the first city to ban the sale of foie gras, a goose liver delicacy. Animal rights activists pushed for the ban because foie gras is created by force-feeding birds to fatten their livers. ’We have children getting killed by gang leaders and dope dealers’, said the infuriated Mayor of Chicago, Richard Daley. ’We have real issues here in this city. And we’re dealing with foie gras? Let’s get some priorities.’ The next target on the council’s list is trans fat, with a proposal to limit the amount that fast food chains can use in their cooking. The fat is found in some oils that are used to fry chicken, fries and other foods.

PUTIN’ ROBOTS ON THE FRONT LINE
Russian President Vladimir Putin says that Russia will use robots to defend its borders. At an online conference in July, the President took time to answer questions sent in by Russian Internet users. Asked whether Russia planned to use ’gigantic, humanoid war robots’ the President responded ’Yes, we will use the latest technological devices. Already now they are being stationed, for example, in the southern parts of our country’. The President then elaborated, ’these are unmanned aerial vehicles. And maybe the time will come for gigantic robots. However, so far we have put our hope on people—namely border guards’.

DOOMED
The first European clinic for online game addicts has opened in the Netherlands. An addiction consultancy set up the clinic after seeing numerous patients who had put their lives on hold to keep playing online games. ’We got one kid in who was gaming 18 hours a day and I wanted to send him somewhere’, said the director of the consultancy, Keith Bakker. Former addict ’Tim’ admitted that he rarely left his room for over five years and had used drugs to keep alert when playing. ’I couldn’t go to the toilet … I would take an empty bottle and pee in it.’ Tim started off with a handheld GameBoy but progressed to multi-player online games that offer open-ended stories set in virtual universes with thousands of players. Bakker said that many addicts used gaming as an escape from reality. ’There are moments where all you have to do is push a button and you’re a superhero. There’s a very enticing part about games.’

THE BRAT ACT
Teenagers in the UK have been warned that cross-country runs in schools are potentially a form of child abuse and that they breach their human rights. 30,000 copies of the textbook Your Legal Rights have been sold to UK schools to use in citizenship classes which are compulsory for secondary students. The book tells pupils that they have the right to be protected from emotional or physical abuse’, and suggests that cross-country running can be as damaging as bullying. The Human Rights Act in the UK has been criticised for restricting teachers’ ability to discipline students in schools. A committee of MPs recently suggested that evicting unruly children from a classroom may infringe their rights to privacy, dignity and physical integrity.