

From the Editor

Chris Berg

Distilling the lesson of the twentieth century into three words: socialism is hard. After rejecting the coordination provided by prices in a market, socialist leaders have to figure out how to move goods from place to place, choose what to produce, who to produce it and so on. The impossibility of socialist planning was a key insight of free-market economists in the first half of the twentieth century.

Salvador Allende was the first democratically elected Marxist president in the world when he came to power in 1970. Implementing the ‘Chilean Path to Socialism’, he rapidly nationalised many major industries, as well as education and health care.

The *deus ex machina* of a socialist command economy—that is, the device that will make all the economy’s problems go away, coordinate all production and consumption and just generally produce utopia—has always been powerful computers. Comrade Allende, rejecting the Soviet-style planning-by-bureaucracy, rested his hopes on the construction of CyberSyn, a vast computer network

This ‘socialist internet’ fed information from across the country to the leadership. As a project, it quickly grew in scope and intent—by the time Allende was disposed in 1973, the plan was to not merely use CyberSyn to regulate factory production, but to regulate Chilean politics and society. For instance, the project was to install ‘happiness monitors’ in Chilean homes to monitor reactions to the great leader’s speeches.

The ‘head’ of CyberSyn was never fully operational. It was to consist of a room of seven chairs in a circle, each chair consisting of a drink-holder (obviously) and a series of ‘big hand’ buttons to operate the monitors on the walls. Operators could then ‘thump’ to emphasise a point—it was presumed that the high-level government operators wouldn’t know how to type.

CyberSyn’s inventor, Stafford Beer, a socialist-friendly British management theorist, was courted throughout the 1970s by totalitarian dictators up and down the South American continent, but for the most part, the project died with the Allende Government. The scientific management of socialism was never as scientific again.

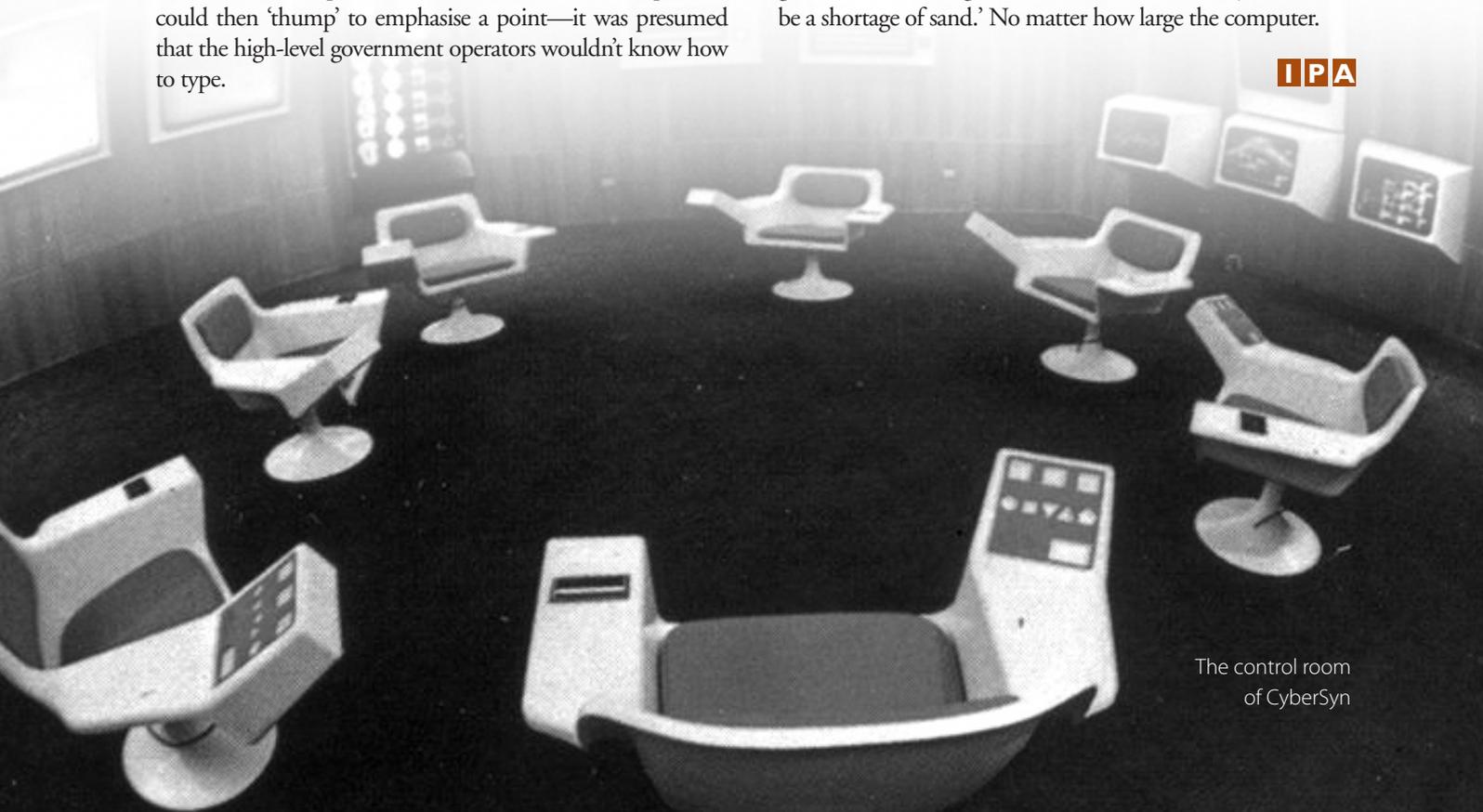
But scientific management continues to be the implicit basis of much government policy. In this edition of the *IPA Review*, Sinclair Davidson discusses the flawed assumptions of advocates of the greater funding of research and development, who believe that economic growth can be encouraged by carefully targeted research funds. On the other side, Bob Carter notes that perhaps some climate change activists could do with a little more scientific analysis of the efficacy of action on global warming, and a little less reactionary ‘precaution’. If concern about global warming is really non-ideological and utilitarian, then perhaps some recourse to the evidence would be useful.

Also in this issue, Tom Switzer looks at claims that the ABC is being destroyed by evil conservatives, Mark Lopez looks at ‘Maoist’ texts in the Year 12 English curriculum, and Jennifer Marohasy looks at cod.

Wolfgang Kasper shows how economic freedom brings greater standards of living, and Marshall L. Stocker shows how you can make money from it.

No system can beat economic freedom at providing prosperity. As the twentieth century has shown, experiments with other systems lead to shortages and declining standards of living. To quote the late Milton Friedman, ‘if you put the federal government in charge of the Sahara Desert, in 5 years there’d be a shortage of sand.’ No matter how large the computer.

IPA



The control room of CyberSyn

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REVIEW

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From the Executive Director

John Roskam

Terry Eagleton is a professor of English Literature at Manchester University. He is also one of the world's leading exponents of Marxist literary theory. But despite his obvious shortcomings, not everything he writes is completely wrong.

In a recent edition of the *London Review of Books*, Eagleton discusses the latest book from biologist Richard Dawkins. Dawkins is a famous atheist and *The God Delusion* is his attempt at convincing the world that belief in a greater being is superstitious nonsense.

Surprisingly for a Marxist, Eagleton says something quite wise. He compares Dawkins' understanding of theology to someone who talks about biology and whose only knowledge of the subject comes from reading the *Book of British Birds*. Eagleton writes that the problem with atheists is that:

[they are] the least well-equipped to understand what they castigate, since they don't believe there is anything there to be understood, or at least anything worth understanding. This is why they invariably come up with vulgar caricatures of religious faith that would make a first-year theology student wince. The more they detest religion, the more ill-informed their criticisms of it tend to be. If they were asked to pass judgment on phenomenology or the geopolitics of South Asia, they would no doubt bone up on the question as assiduously as they could...

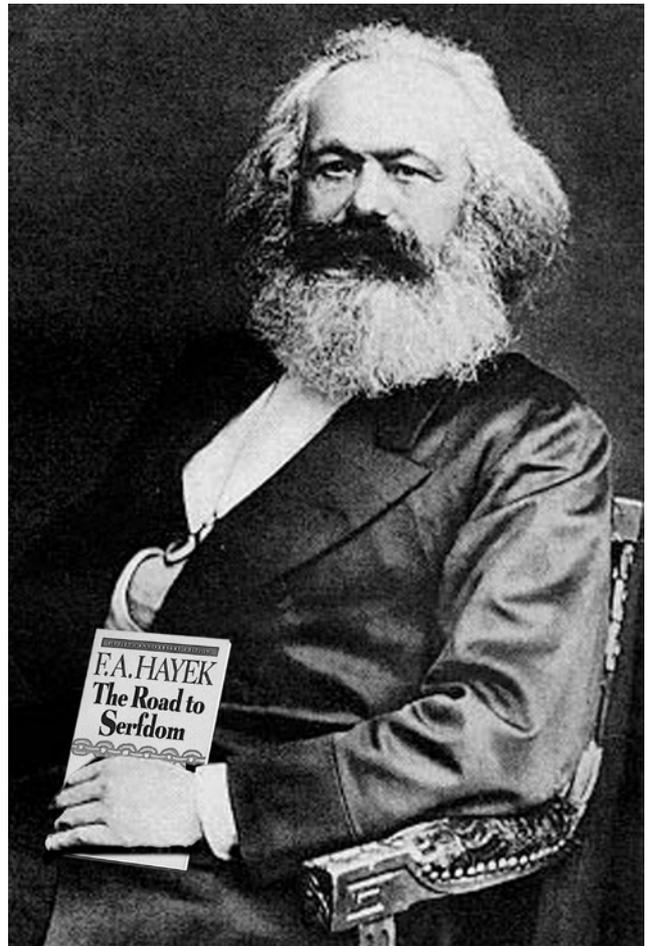
Dawkins on God is rather like those right-wing Cambridge dons who filed eagerly into the Senate House some years ago to non-placet [blackball] Jacques Derrida for an honorary degree.

Very few of them, one suspects, had read more than a few pages of his work, and even that judgment might be excessively charitable. Yet they would doubtless have been horrified to receive an essay on Hume from a student who had not read his *Treatise of Human Nature*.

There are always topics on which otherwise scrupulous minds will cave in with scarcely a struggle to the grossest prejudice.

No doubt Labor's new federal leader Kevin Rudd regards himself as a scrupulous mind. Therefore it is unfortunate that Rudd succumbs to the grossest prejudice when it comes to his analysis of Friedrich Hayek.

Any publicity for Hayek and his achievement is good publicity and Rudd shouldn't be discouraged from his efforts to understand Hayek. But Rudd's efforts at understanding



Marx wasn't convinced.

Hayek have so far failed, as demonstrated by the pieces Rudd has penned for the Australian media in recent months.

According to Rudd, Hayek's greatest sin is that he not only ignores, but he positively denigrates the importance of community and social organisations. For Rudd as a 'social democrat' this is one of the most heinous policy crimes that it is possible to commit. Of course such a reading of Hayek is a travesty of the man and his message, and it is possible for Rudd to come to such a conclusion only because as a 'social democrat' he can't come to terms with Hayek's critique of government. One of Hayek's essential insights is that over-powerful government doesn't build social capital, it *destroys* social capital.

Community is built when individuals and families are free to pursue their own interests, in their own way. Community is not constructed when people simply follow bureaucratic dictates.

We've come a long way if the leader of the ALP is reading Hayek—even if Rudd completely misunderstands the point of *Road to Serfdom*. Now all that's necessary is for the Labor leader to start on *Free to Choose*...

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REVIEW

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