

# Inside This Issue

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## ARTICLES & REGULAR FEATURES

- 2 [Editorial](#)  
Some high-profile NGOs, that have built solid reputations over time, risk 'brand-name' damage if they persist with ill-informed or baseless campaigns. **Mike Nahan**
- 3 [WWF Says 'Jump!', Governments Ask 'How High?'](#)  
There is a disturbing trend for governments to make environmental policy in the absence of sound science—as their reaction to WWF's Great Barrier Reef campaign demonstrates. **Jennifer Marohasy and Gary Johns**
- 6 [The Human-Rights Lobby Meets Terrorism](#)  
The inability of the world's leading human-rights NGOs to come to grips with terrorism—both before and after September 11—shows just how much they have lost the plot. **Adrian Karatnycky and Arch Puddington**
- 10 [The Age and Bias](#)  
*The Age's* coverage of the recent Green blockade at Marysville highlights, yet again, that paper's inability to live up to its professed principles on fair and accurate reporting. **Graeme Gooding**
- 12 [The 'R' Files](#)  
Australia is blessed with abundant natural gas, but the industry is cursed by inappropriate regulation. The result: sub-optimal outcomes all round. **Alan Moran**
- 15 [Greenhouse and Green Energy: Ten Realities](#)  
Analyses of Australia's official Greenhouse 'Success Stories' reveal more grounds for deep scepticism than they do for back-slapping. **Brian J. O'Brien**
- 17 [Education Agenda](#)  
Across the world, governments are providing more and more data on schools, standards and performance. Australian governments have similar data—but lack the inclination to share it with parents. **Kevin Donnelly**
- 18 [The Secular West and the Dangerous Quest for Meaning](#)  
The opponents of Western success—be they religious or ideological—understand neither its underpinnings nor its broad appeal. But that doesn't stop them exploiting one of its strongest virtues—its tolerance. **Andrew McIntyre**
- 19 [The Blair Files](#)  
It is a given that 'poverty causes terrorism'. But does it? Our newest regular contributor ponders the real links between terrorists and wealth. **Tim Blair**
- 21 [What's A Job?](#)  
The IR system has more to do with the state seeking to protect employers from high labour costs than it does with the protection of workers' rights. **Ken Phillips**
- 22 [Strange Times](#)  
The weird, the wacky and the wonderful from around the world. **Compiled by IPA staff and columnists**
- 23 [Letter from London](#)  
Tony Blair promised 'joined-up' government. Instead, Britons now suffer bureaucratic inertia born of regulatory overload. **John Nurick**
- 24 [Free Enterprise.com](#)  
Internet resources for arriving at a radical conclusion: repeal all drug laws now! **Stephen Dawson**
- 26 [Letter from America](#)  
The collapse of Enron is not what the anti-capitalist critics claim it is. In fact, the very opposite—capitalism works! **Nigel Ashford**
- 27 [The ABC: Unique Unto Itself](#)  
Why can't the ABC be managed like a private-sector organization? Because ... well, because ... it's the ABC, of course! **John Styles**
- 28 [Drugs: Surrender Is Not A Winning Strategy](#)  
The National Secretary of the Australian Family Association takes issue with John Hyde's recent *Review* article on legalizing drugs. **Bill Muehlenberg**
- 30 [Further Afield](#)  
There's money in mould, the effects of imprisoning drug offenders, Florida mammals and development, corruption and currency crises, payments for human organs.

## BOOK REVIEW

- 32 [The Ultimate Insider](#)  
When respected US media insider Bernard Goldberg blew the whistle on bias within CBS, all hell broke loose! **Don D'Cruz**

## REVIEW

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# From the Editor

MIKE NAHAN

Reputations are, increasingly, a crucial commodity. They influence not only what we buy, but how we vote, dress, eat, play and donate. Accordingly, organizations spend huge resources developing, massaging, and protecting their brand names.

Arguably, Amnesty International (AI) and World Wildlife Fund (WWF) have been two of the most successful organizations at the reputation game.

According to a recent survey, AI is the most recognized and respected brand in the developed world. WWF is also well ranked—much higher than any commercial organization.

On the back of these reputations, AI and WWF—which both started in 1961—have not only grown to be synonymous with their chosen areas of concern, but have become megamultinationals. While AI does not publish a consolidated budget, in 2000–01, its international headquarters had revenues of \$60 million, a workforce of over 400 and branches in 56 countries. WWF is even larger. In 1999, it had a worldwide revenue of \$720 million, a workforce of over 3,000 and branches in 41 countries.

AI and WWF have a number of things going for them. First, they are in the ‘protecting motherhood’ business which, in this aspirational age, is far easier than selling cars that might crash. Second, they have no pesky shareholders, stockbrokers, journalists or even governments scrutinizing their actions. Indeed, they operate in a rarefied *laissez-faire* world of which capitalists can only dream.

They must also be given credit for doing a vital job and doing it well in their early days. AI established a remarkable network of voluntary groups around the world to keep an eye on human rights’ violations. AI’s role was particularly valuable during the Cold War when Western governments had little effective leverage



over communist countries. It also focused on the actions of undemocratic governments.

WWF also played a very constructive role in its early days. WWF was formed essentially to raise funds for the IUCN and other groups which, in turn, undertook practical conservation projects, particularly in the Third World—over the last 40 years it has funded over 11,000 projects. It has also led a series of valuable high-profile campaigns, including saving the panda, the tiger, the elephant, whales and marine turtles. Although WWF characteristically ‘gilded the lily’ in its early days, it focused on real problems in crucial areas and did so with some scientific backing. Importantly, WWF generally avoided demonizing corporations and capitalism. Indeed, it generally sought to partner multinational corporations, which now provide it with a major source of its funding.

Somewhere along the line, however, both organizations (or sections of them at least) have lost the plot.

Adrian Karatnycky and Arch Puddington—from Freedom House, an advocacy centre for democracy and freedom—outline how AI and its colleagues in Human Rights Watch have lost touch both with their roots and with reality, and joined the anti-American chant. (See ‘The Human-

Rights Lobby Meets Terrorism’ on page 6 of this issue.) AI now claims, among other silly things, that the US is as great a violator of human rights as the Hutu in Rwanda and China in Tibet.

WWF has also lost the plot. Back in 1998, the Great Barrier Reef and other coral reefs around the world were being hit with an outbreak of coral bleaching. WWF immediately saw it as a fund-raising opportunity and launched a worldwide campaign to save the Great Barrier Reef. While the campaign raised huge amounts of money, it ran into a big problem: the bleaching stopped, the coral recovered and the cause turned out not to be global warming, as WWF claimed, but the naturally warming and cooling cycle of El Niño. The ethical thing would have been to reallocate the funds to reefs that are actually under threat (such as many of the reefs in Asia which suffer from fish bombing) or to scientific research (say, on the relationship between global warming and water temperature). Instead, WWF, while maintaining the fiction about bleaching and global warming, shifted its focus to a new supposed demon—agriculture. As outlined by Gary Johns and Jennifer Marohasy (‘WWF Says “Jump!”’, Governments Ask “How High?”’, page 3), WWF is now waging an effective PR campaign against the sugarcane industry by claiming that it is destroying the Great Barrier Reef. Once again there is no scientific basis for their claims. In reality, WWF is destroying people’s livelihood while offering no protection to the reef.

How do groups such as WWF and AI maintain such good reputations with such feral behaviour? Well, take a read of the article by Graeme Gooding (‘The Age and Bias’, page 11) about environmental reporting in the Melbourne Age—it goes a long way to providing an explanation.

IPA

REVIEW

# WWF Says 'Jump!', Governments Ask 'How High?'

JENNIFER MAROHASY AND GARY JOHNS

'[We] base our work on sound science.'  
WWF Vision Statement 2002

**T**HE World Wide Fund for Nature (WWF) has mounted a campaign that has led to both the Commonwealth and Queensland Governments recommending urgent and significant changes to land management practices in catchments that drain onto the Great Barrier Reef. It is alleged that there is evidence for localized deterioration on nearshore reefs from agricultural run-off. The scientific literature, however, provides no such evidence. So, what, and who, made these two governments jump to the wrong conclusions?

WWF has targeted rural industries in Queensland over the past two years. This campaign is believed to have been assisted by funds from the United States of America through donations generated in response to media interest in the 1998 coral-bleaching episode that affected reefs across the world. WWF capitalized on the wide media coverage and secured significant funds to pay for a campaign to 'Save the Great Barrier Reef'. In 1999, it established headquarters in Brisbane and a simple media strategy was developed whereby the Reef would be portrayed as a victim of industry, in particular the grazing and sugarcane industries.

## CREATING A NEED FOR GOVERNMENT ACTION

In June 2001, WWF published a *Great Barrier Reef Pollution Report Card*. The principal conclusion was that 'the Great Barrier Reef is being threatened by land-based pollution. Inshore reefs and seagrass meadows, habitat for the

threatened dugong and green turtle, are suffering from what we do on the land'. Imogen Zethoven, WWF Australia's Great Barrier Reef campaign manager said that 750 inshore reefs were at risk from land-based pollution, chiefly agricultural run-off.

The report indicated that the cattle grazing industry contributed significantly to the sediment load while the sugarcane growing industry was principally responsible for pollution from pesticides, herbicides and nutrients. While the report made many allegations of reef impact from agriculture, it did not substantiate any of the

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claims. Claims of scientific consensus were made without citing a single published reference. The report cited no studies that provide documented evidence of a human-induced impact on the Reef.

The WWF report plays on the current global preoccupation with what Bjørn Lomborg, in *The Skeptical*

*Environmentalist*, labels the 'Litany': that the environment is in poor shape, resources are running out, the air and water are becoming more polluted, and industries must be heavily regulated. The Litany pays lip-service to the concept of ecologically sustainable development, but in fact pays no regard to the sustainability of industry.

The Great Barrier Reef Marine Park Authority issued a media statement on the same day that the WWF report was released with the Authority's Chair commenting that 'the report will raise awareness of the issues affecting water quality in the Marine Park'. The Queensland Premier used the report as an opportunity to criticize the Commonwealth Government for its lack of bipartisan support in protecting the Reef. Interestingly, a locally based conservation group with an established reef-monitoring programme, the Cairns and Far North Environment Centre, disputed the WWF allegations. Geoff Weir, the conservation group's reef-monitoring coordinator, stated, 'People are saying the Reef is not as good as it used to be but so far that's been based on anecdotal evidence'.

The launch of the WWF document was planned to coincide with a meeting of the Great Barrier Reef Ministerial Council on 8 June 2001. At the meeting, the Council established a scientific working group, with the charter to review the available data and existing national water quality guidelines and to prioritize catchments according to the ecological risk present to the Reef. Three months later, the Commonwealth Environment Minis-

ter released the *Great Barrier Reef Water Quality Action Plan*. This document focused on pollution from agriculture and concluded that 'A range of pollutants are evident in measurable quantities in river outflows and these are causing the continued decline of inshore ecosystems of the Reef'.

The Queensland Government responded to pressure from the WWF campaign by establishing a Reef Protection Taskforce with terms of reference that included, '[to] advise the Queensland Government on processes for establishing appropriate water quality goals and targets to protect the Great Barrier Reef World Heritage Area' through the development of a Reef Protection Plan. The focus of the Reef Protection Plan was to 'reduce the impacts on the Great Barrier Reef of land based sources of nutrients, sediment and pollution'.

#### **EVIDENCE OF IMPACTS FROM AGRICULTURAL POLLUTION ON THE GREAT BARRIER REEF**

Representatives on the Reef Protection Taskforce asked that the current level of scientific understanding on impacts of terrestrial run-off on the Reef be provided to the Taskforce. The science representative on the Taskforce co-ordinated the development of a science statement in consultation with experts at the CRC Reef Research Centre, Department of Natural Resources and Mines, and James Cook University.

The first science statement was developed for the Taskforce to provide a 'consolidated view of our current understanding of the impacts of terrestrial run-off on the Great Barrier Reef World Heritage Area'. Further, 'the statement seeks to allay concerns that there are conflicting views in the scientific community'. This document discussed threats to the Reef, but provided no reference of actual damage to the Reef.

Several Taskforce members noted this fact, with the following comments being made by Taskforce members at the meeting on 12 November:

'So the widespread impact [of terrestrial run-off] is not substantiated.'

'But the scientists have tried very hard to prove there is an impact.'

'Let's not get hung up on the science.'

'Let's go forward on the basis of the precautionary principle.'

At the insistence of several Taskforce members, including the WWF representative, the science adviser agreed to redraft the science statement. The CSIRO representative, and senior author of the science statement, said that he would consult with his scientific colleagues with a view to redrafting the document. The next day a revised science statement was issued, with the comment to the Chairman of the Taskforce that 'We wish to clearly point out that whilst there is no evidence of widespread deterioration, there is documented evidence of localized deterioration on individual nearshore reefs'.

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### **Governments are increasingly basing their actions on advice provided by unnamed consultants or on unrefereed reports from government agencies**

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This was the first statement from reputable scientists clearly alleging an impact from land-based run-off on the Reef. The science adviser on the Reef Protection Taskforce and Dr David Williams (Deputy Chief Executive Officer of the CRC Reef Research Centre), when requested, provided Dr Marohasy with references to five

published scientific papers and one unpublished report as the best documented examples of localized deterioration on nearshore reefs.

In the view of Dr Marohasy, and Professor Bob Carter, Marine Geophysical Laboratory, James Cook University, none of these papers provide evidence that agriculture or other land-based sources of run-off are having an adverse impact on the Reef. George Rayment, Principal Scientist, Queensland Department of Natural Resources and Mines, and an author of the first and second science statements, has indicated at least three of the papers provide no evidence that agriculture is having an impact on the Reef. Dr Piers Larcombe of the Marine Geophysical Laboratory at James Cook University has advised that of the three papers he has read, none provides any evidence of land-based run-off impacting on the reef. Dr David Williams subsequently withdrew one of the papers as evidence.

What the cited papers do provide evidence that mangrove die-back has occurred at least once in one region, that seagrass beds have expanded in at least one region, and that there have been changes in the ability of some reef communities to grow coral. Allegations of an impact from agriculture are made in several of the papers. However, no evidence is presented in any of the papers to indicate that the death of the mangroves, the increase in seagrass abundance or the changes in coral cover are not part of the normal process of living and dying in the biologically diverse and dynamic ecosystems of the Reef. Two of the papers provide evidence of traces of man-made chemicals in marine sediments along the Queensland coast. There is, however, no evidence to suggest that these low levels are having an impact, and the source of the chemical has not been determined, but is more likely to be associated with the fishing than with agricultural industry.

There is no dispute that post-European land use, including agriculture, has had an impact on catch-

ments in which it is undertaken. Post-European land use has potentially increased runoff and sediment associated nutrient and contaminant delivery to near-shore regions of the Reef area over the last 150 years. There is also evidence for a detrimental impact from human land-based activities, including agriculture, on freshwater aquatic systems in some regions. However, there is no evidence of damage to the Reef from agricultural pollution. Many Queensland agricultural producers, including cane growers, have sought to reduce their potential impact on downstream environments through the widespread adoption of minimum tillage systems and the adoption of other best management practices. Consequently, pressures from agriculture—and in particular cane growing—are reducing, not increasing.

## **CURRENT STATE OF THE GREAT BARRIER REEF**

The most comprehensive summary of major environmental attributes of the Reef, their status and pressures, is contained in the *State of the Great Barrier Reef World Heritage Area*. This suggests that water quality, mangroves and seagrasses show 'no obvious adverse trends'. In contrast, birds, marine turtles, dugongs and inter-reefal and lagoonal benthos show 'decline' or 'substantial impacts'. Significant pressures arise from: human disturbance from visitation (birds), by-catch in trawl and shark nets (turtles), hunting both locally and overseas (turtles), predation of eggs and young by feral animals (turtles), boat strike (dugongs), indigenous hunting (dugongs), trawling (benthos), potentially increased sediments and nutrients in run-off (inter-reefal and lagoonal benthos—nearshore communities only).

The abstract from the most recent, peer-reviewed assessment of the *Status of Coral Reefs of Australasia: Australia and Papua New Guinea*, states, 'Australia's coral reefs ... are generally in good condition ... They are well protected from the relatively low level of human pressures resulting from a small population that is not dependent

on reefs for subsistence. An extensive system of marine protected areas is being implemented; the best known of these is the Great Barrier Reef Marine Park (which is also a World Heritage Area). This is the largest marine protected area in the world and serves as a model for the establishment of many other similar multi-user areas. The monitoring programmes on the Great Barrier Reef are also probably the largest and most extensive in the world'.

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## **As for the Australian campaign, WWF adds no value whatsoever to the science, awareness, or protection of the Reef**

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### **POLITICS AND SCIENCE**

It is understood that the WWF Reef Campaign has helped generate over 7,000 new supporters in Australia alone during 2001. The increase in WWF membership has come at the price of undermining community confidence in Queensland agriculture, in particular sugarcane growing and beef grazing. The beef grazing industry has been worth \$2.5 billion annually in direct earnings to the Australian economy over the last two years. The sugar industry is worth \$1.6 billion annually in direct income to the Australian economy and the total output value of the industry and associated services would be approximately \$2.9 billion. Both industries are major contributors to Queensland's economy and underpin the economic stability of many rural and regional communities.

The Reef Campaign has also come at the price of undermining scientific

integrity. According to Professor Carter of James Cook University, 'one of the relatively new problems that faces us is that governments are increasingly basing their actions on advice provided by unnamed consultants, or on unrefereed reports from government agencies, some of which are not even released into the public domain. This is a recipe for disaster. Good science operates on a consensus basis, using material that has been subjected to rigorous peer review and published in journals of international standing. It is therefore at their own peril that democratic governments attempt to "control" the scientific process for political ends.'

It is a dereliction of duty for governments to devise standards for water quality and run-off regimes without direct studies of impact. That some scientists would play along with them suggests that politics and science are no strangers. The issues could have been resolved if governments had been prepared to scrutinize the evidence in the published scientific literature. Governments, however, appear increasingly reluctant to assess information independently. Instead, they hand the referee's whistle to self-interested aggrandizers such as WWF.

WWF may have played a useful role in saving the Panda from Mao's China, and the Siberian Tiger from the Soviets. But the Great Barrier Reef is arguably the best-protected coral reef in the world. The reason WWF suggests otherwise has more to do with raising its profile than protecting the Reef. The irony is that many reefs in the near north around Indonesia are under threat. As for the Australian campaign, WWF adds no value whatsoever to the science, awareness, or protection of the Reef. Two governments and a string of agencies already regulate activities within its vicinity.

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# The Human-Rights Lobby Meets Terrorism

ADRIAN KARATNYCKY AND ARCH PUDDINGTON

In this article, Adrian Karatnycky and Arch Puddington discuss the response of human-rights organizations, including Amnesty International and Human Rights Watch, to the terrorist attacks of September 11. They look at how most of the human-rights community has treated the question of terrorism in general in recent years, and also how it has treated the US.

**I**N the months since the September 11 terrorist attacks on the United States, the world's two leading human-rights organizations—Amnesty International and Human Rights Watch—have been very busy. And so they should have been. International law, to which these organizations are committed above all things, recognizes terrorism as a distinct and uniquely malevolent form of aggression against civilians; and the attacks themselves assuredly constituted a massive and horrendous violation of human rights, unprecedented in the history of the United States.

Yet, from the steady stream of reports, statements, and open letters the organizations have sent to leaders like President Bush and UN Secretary-General Kofi Annan, one learns little of this. Although both Amnesty International and Human Rights Watch have issued denunciations of the attacks on the World Trade Center and Pentagon, not once have they spoken about the precise nature of these vicious acts, or called them by their proper name: terrorism. They have raised many concerns, to be sure, but terrorism itself has not been part of their agenda.

To understand what is going on, it helps to have some idea of how most of the human-rights community has treated this question in general in recent years—and also how it has treated the United States of America.

IT TURNS out that the organizations' reluctance to use the word 'terrorism' is not new. One can examine the hundreds of documents that Amnesty International has issued over the years on countries and regions victimized by terror, from Colombia and Kashmir to Spain and Great Britain, without ever encountering a straightforward refer-

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**Major human-rights organizations argue that the term 'terrorism' lacks a clear definition in international law—which happens not to be the case**

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ence to the term. Instead, one reads of 'brutal' or 'horrific' acts, or of 'violent assaults'—phrases that could apply as easily to the aggression of one army against another as to the deliberate murder of civilians by political or religious extremists.

Occasionally, human-rights organizations have resorted to almost comical euphemisms. In speaking of

the 'war on terrorism,' Human Rights Watch has preferred to describe it as the 'war against indistinct enemies.' As for those cases when the word simply cannot be avoided, Amnesty International has invariably placed it in quotation marks, thus implying its own scepticism.

Pressed to explain this policy of evasion, spokesmen for major human-rights organizations argue that the term 'terrorism' lacks a clear definition in international law—which happens not to be the case. There are, in fact, several UN-sponsored agreements, including the International Convention for the Suppression of Terrorist Bombings, that speak forthrightly of terrorism as a distinct and widely agreed-upon category of aggression. A better explanation can be found in the human-rights community's profound distrust of the governments around the world that face a terrorist threat—and in the reluctance to acknowledge that security is essential to any meaningful idea of freedom.

It seems that, whatever havoc terrorists may wreak on a society, the more serious human-rights problem in the eyes of Amnesty International and Human Rights Watch lies in the methods that public authorities have adopted to combat these 'indistinct enemies.' Nowhere has this attitude been more pronounced than in the way human-rights groups have treated the challenge posed by radical Islam, which everywhere has resorted to

terror as a basic tactic. In a revealing statement, Kenneth Roth, the director of Human Rights Watch, observed last May that ‘violent Islam [today] is the Communism of ten years ago.’ By this he appeared to mean not only that radical Islam was a spent force, like Soviet Communism in 1990, but that apprehensions about it were greatly exaggerated, and as likely as not were being invoked by governments only as an excuse for repression.

IS THIS true? Let us consider, to begin with, Algeria and Uzbekistan, two places whose governments have been ruthless in dealing with violent Islam.

For most of the past decade, Algerian society has been brutalized by a fanatical and murderous movement of Islamic extremists. Islamic guerrillas have routinely invaded villages deemed unsympathetic to their cause, slaughtering an estimated 100,000 men, women and children. The response of the Algerian government has been, by any measure, ferocious. It has tortured or killed its enemies and harassed or imprisoned journalists and public figures who have criticized official policies.

From the standpoint of human rights for Algerian society as a whole, however, there can be no doubt that the triumph of the government is preferable to the triumph of its terrorist adversaries. Yet the overwhelming thrust of the criticism issued by the human-rights lobby has been directed at that government. Far more important to these groups than the extraordinary death toll exacted by terrorism has been the state’s unwillingness to prosecute abusive members of its own security forces. Missing, too, from the analysis of the major human-rights groups has been any acknowledgment that the Algerian government, having vanquished a formidable enemy, is moving gradually toward national reconciliation and the relaxation of state control.

A similar myopia has afflicted the organizations’ treatment of Uzbekistan, a country with its own deplorable record of human-rights violations.

Uzbekistan’s president, Islam Karimov, is one of Central Asia’s most pitiless strongmen, having retained power by jailing and torturing peaceful political opponents and making others ‘disappear.’ His crimes have been chronicled and denounced by human-rights investigators with justifiable regularity. But Karimov has also used the same tactics against threats to his power of an entirely different sort.

The most fearsome of these threats has come from the Islamic Movement of Uzbekistan, a radical guerilla group that, with the assistance of the Taliban regime in Afghanistan, has sowed terror not just in its own country but

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throughout Central Asia. Uzbekistan has also seen the emergence of the Party of Liberation (*Hizb-ut-tahrir*), a fanatical Islamist group that operates through secretive five-man cells in more than a dozen countries, including Great Britain and Germany (where it is likely to have influenced Muhammad Atta and the other hijackers who attended German universities). Avowed supporters of the Taliban and Osama bin Laden, members of the Party of Liberation reject democracy, religious freedom, human rights, and participation in political institutions they consider tainted by unbelief. If they have not yet joined

the armed opposition in Uzbekistan, it is because their tenets permit violence only when there is a likelihood of overthrowing the ruler.

Predicably, President Karimov has resorted to repression against the Party of Liberation and has jailed many of its followers without a semblance of due process or fair trial. In their assessments of Uzbekistan, however, both Amnesty International and Human Rights Watch treat these jailed Party of Liberation members not as would-be terrorists but as prisoners of conscience. They are routinely described as nothing more than ‘pious Muslims,’ ‘men who prayed at home or in small private groups,’ ‘non-violent religious Muslims,’ or ‘those who belonged to unregistered Islamic organizations.’ Entirely lacking is any serious description of the ideology of the Party of Liberation, its clandestine methods, or the danger that it might pose.

SINCE ALGERIA and Uzbekistan are violent and autocratic regimes, it may not be surprising—but it is deplorable—that the human-rights community should have declined to recognize their legitimate security concerns. In both situations, the task is to choose between the lesser of two evils, which is hardly these organizations’ forte. What, then, about the one case—Israel—in which a genuinely open and democratic society has also long confronted a threat to its survival from Islamic terrorists?

In recent years, the major human-rights organizations have been forthright, it is true, in denouncing the most heinous attacks committed by Palestinians. The suicide bombing of a busy pizza parlour, or the ambush of a school bus filled with children—these are unacceptable in their view, even if such acts, too, have never been described as terrorism. But these acknowledgments of barbarism are the exception. In report after report, the burden of responsibility for the violence, upheaval, and killing in the Arab–Israeli conflict, particularly during the *intifada* unleashed just over

a year ago, has been placed squarely on the shoulders of democratic Israel.

Amnesty International and Human Rights Watch have issued protests against virtually every policy adopted by Israel in its effort to prevent further terrorist attacks against its citizens. Traffic blockades, border closings that keep Palestinians from reaching jobs inside Israel, restrictions on Bir Zeit University in the West Bank—all, we have been told, are violations of one or another fundamental human right. As for Israel's policy of seeking out and killing Palestinians who have participated in terrorist operations—a policy designed to avoid further civilian casualties—this, too, has come under severe criticism.

Indeed, although it is the Palestinians who have made an explicit strategy of drawing civilians on both sides into the heart of the bloody conflict, it is the Israelis who, in the reports of these groups, are much more likely to be blamed for civilian deaths. Thus, Israeli military authorities are censured for permitting 'indiscriminate' firing into areas containing Palestinian civilians, while little is said of the Palestinians' intentional use of such neighbourhoods as shields for their gunmen. Human-rights organizations have paid special attention in recent years to the use around the world of child soldiers, especially by irregular forces; but they have said nothing about the Palestinian practice of putting children in the front lines of violent demonstrations, a policy designed to create young martyrs and thus further inflame Palestinian and Islamic opinion.<sup>1</sup>

The dismaying stand taken by Amnesty International and Human Rights Watch is best symbolized in their agenda with respect to the leaders of the two sides. Both groups have called for a criminal investigation of Israeli Prime Minister Ariel Sharon for his role in the killings by Christian militiamen that took place in the Sabra and Shatilla refugee camps in Lebanon in 1982—killings for which Sharon, even according to

his most severe critics, bears only indirect responsibility, and which were reviewed some time ago by an independent commission of Israel's democratic government. And Yasir Arafat? Somehow, neither of the leading human-rights groups has seen fit to demand his indictment for heinous crimes against humanity committed not simply on his watch but at his explicit direction, extending

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***Like its Communist predecessor, Islamism functions by combining the armed struggle of a few militants with a support network whose hands reach around the globe***

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back in time for decades, and by now too numerous to catalogue.

IN THE wake of September 11, one might reasonably have expected Amnesty International and Human Rights Watch to entertain second thoughts about their assessment of Islamic extremism. For, as we have had bitter reason to learn, the comparison of radical Islam to Communism has turned out to be in many respects quite relevant, if not in the sense construed by the human-rights community.

Like its worldwide Communist predecessor, Islamism functions by combining the armed struggle of a few militants with a support network whose hands reach around the globe. It too presents a major challenge to established democracies and an ominous threat to governments that are weak or whose grip on power is

insecure. Perhaps most pertinent of all, it employs methods that present extraordinary challenges to traditional military or police tactics.

But the major human-rights organizations have in fact not reconsidered. To judge by what they have said since September 11, they are far from recognizing the character of the enemy against which the civilized world now finds itself arrayed. Instead, at the core of their response has been a fear not of that enemy but of the United States, and in particular of the American reaction—or, as many seem to believe, over-reaction—to the events of September 11.

Thus, the initial declarations of Amnesty International and Human Rights Watch focused on expectations of an upsurge of anti-Muslim hate crimes here at home, of racial profiling by law-enforcement officials, and of the mistreatment of immigrants. Subsequently, the organizations have attacked the temporary detention of suspects without charges and the establishment of military tribunals for trying terrorists—both of which they consider violations of fundamental rights. Human Rights Watch has gone so far as to issue a lengthy document reminding the Bush Administration—to which the news will no doubt come as a thunderclap—that international law prohibits the torture of prisoners.

To be sure, other commentators have raised objections to various anti-terrorism measures introduced by the Administration. But what distinguishes the human-rights world is its insistence on denouncing each and every proposal to secure the domestic front. This apprehension has been matched by concerns over the conduct of the war in Afghanistan itself, and other measures by the US and its allies to destroy terror networks.

Initially treating the attack of September 11 as a problem in law enforcement, Amnesty International urged President Bush to join with the United Nations in 'bring[ing] those responsible ... to justice within the framework of a fair and accountable

criminal-justice system, and with full respect for international standards for a fair trial.' Amnesty International went on record opposing the extradition to the US of Osama bin Laden and other terrorists should they be captured—unless the Administration could guarantee that they would not face the death penalty.

Once it became clear that the United States intended to use its military might to hunt down *al-Qaeda* and remove its Taliban protectors from power, the human-rights world trained its spotlight on America's tactics. Under international law, Human Rights Watch stressed, it was illegal to assassinate Osama bin Laden or other terrorist leaders. The organization likewise issued several urgent protests over America's use of cluster bombs, and, in one rather exotic statement, warned that the war was placing the rights of Afghan women in special peril because, among other things, the head-to-toe *burkhas* they were compelled to wear under the Taliban made it difficult for them to move quickly.

Of particular concern to both major human-rights organizations were reports of civilian deaths during the American bombing campaign. Amnesty International called for 'an immediate and full investigation into what may have been violations of international humanitarian law' arising from US military actions, and it also objected to the Pentagon's decision to bomb radio stations that were serving as propaganda vehicles for the Taliban leadership. This, according to Amnesty International, was insufficient justification for launching attacks on 'civilian objects.'

At one crucial point in the conflict, Amnesty International even insisted that special monitors be appointed to oversee the transfer of arms from the United States and other countries to Northern Alliance commanders, with a mandate to keep the guns away from commanders deemed unsuitable because of past human-rights abuses.

AFGHAN CIVILIANS did of course die from errant bombs in the initial phases of the war; the incidents were well publicized and, in fact, rare. But the reports from human-rights organizations conveyed no sense of the care that the United States took to avoid targets in civilian areas. Nor did they bother to acknowledge more generally the other steps taken by the Bush Administration to protect and promote basic rights both here and abroad—at least as far as innocents are concerned. So relentlessly critical have been the world's two leading voices for human rights and the expansion of liberty as to raise a question about their attitude toward the United States itself.

That question is, alas, all too easily answered. In the reports published in recent years by Amnesty International and Human Rights Watch, America

refused to sign a number of international human-rights treaties. And it is a country that, according to a sweeping indictment issued in 1999 by Amnesty International, deserves to be grouped with Tibet and Rwanda as a target of international protest and concern.

It has become a commonplace to say that, in matters of foreign policy, 'everything changed' after September 11. Yet for important segments of the human-rights world, clearly, nothing has changed at all. That the principal human-rights organizations should be singling out the United States as an international scofflaw was reprehensible enough yesterday. Today, it raises powerful doubts as to their fundamental sense of judgment, and says everything one needs to know about their political drift.

## NOTES

- 1 In yet another example of the breathtaking double standard they apply to the conflict, both organizations have also endorsed the 'right of return' for Palestinians who have left Israel proper since 1948. What they blithely ignore is that most of these Palestinians fled at the insistence of their own leaders, that hundreds of thousands of Jews were themselves expelled from Arab countries upon Israel's creation, and, most of all, that so massive an influx would threaten, and may be designed to threaten, the very survival of Israel.

This article was first published in *Commentary*, New York in January 2002. It is reproduced with the permission of the authors.

*Adrian Karatnycky is the president of Freedom House and the co-author of several books about Soviet and post-Soviet politics.*

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**I P A**

# The Age and Bias

GRAEME GOODING

**M**ICHAEL Gawenda, Editor of *The Age*, has stated: 'Journalists have a public role. They have the ability to do serious damage to people. They are a prime source of information ... if we can't set standards and make sure that information is independent, unbiased, uncontaminated by commercial or other interests, then we have a serious problem'.

Mr Gawenda has a serious problem with *The Age's* environment reporter, Claire Miller, who has been a repeat offender in regard to biased reporting. Moreover, he has failed to address this problem despite repeated calls from individuals, industry, unions and timber communities. In recent years, meetings have been convened with editorial staff to hear these complaints. During these meetings, *Age* staff have agreed that Claire Miller had inappropriately combined her opinion within news reportage. Factual mistakes have also been acknowledged, all too few of which have been listed in the 'We were Wrong' column, albeit buried in the 'small print'. Some have been subject to 'correction' via follow up articles.

The latest example is the reporting of the Marysville blockade by a green protest group. The protesters' communication plan seemed to be both to present and to foster a division between tourism and timber, by claiming that tourism operators opposed harvesting in 'pristine forest' as it was damaging their business. Claire Miller wrote two news stories: 'Loggers barking up wrong tree, say protesters' (15 January 2002) and 'Loggers urge action by state' (24 January 2002). Despite clear evidence that the tourism and timber sectors were working co-operatively and that timber harvesting was occurring in regrowth—not pristine—forest, Claire's reporting followed the protesters' 'script'.

Miller devoted 70 per cent of her first article to anti-timber industry views from a tourism operator and a protester. The remaining 30 per cent of the article included a timber-industry operator, and a spokesman for Environment and Conservation Minister Sherryl Garbutt saying that 'the Department of Natural Resources and Environment Department has made consultation with all stakeholders a priority through the Mystic Mountains Tourism Association'.

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**Michael Gawenda,  
Editor of The Age,  
has a serious  
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if he wishes to  
maintain the ideals  
to which he and his  
paper subscribe**

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The second article reported that 'About 350 people from as far afield as East Gippsland, southern NSW and the Otways attended a meeting in Marysville on Tuesday night'. This meeting called on the Victoria Police and the Department of Natural Resources and Environment to end the blockade and uphold the right of workers to go about their business. The report made passing reference that 'representatives from the local tourism body' were present.

In fact more than 400 people attended, none present were from NSW or the Otways, and the over-

whelming majority were from the local region. In any case, the motions put at the meeting were carried without dissent. Miller later advised Kersten Gentle of Timber Communities Australia that her story was based on advice from Green activists, who had seen cars with NSW plates parked in the main street near the meeting and a bus—this in a tourism town with over 1,000 beds! The impression she gave was that the meeting was stacked with people brought in from all over the State and from NSW. In contrast, the protesters' campaign was presented by *The Age* report as being driven by the local community: 'The community group has linked with conservation activists to organize the region's first logging blockade ... Marysville residents are supporting the protesters with food and equipment'.

The report failed to cover the fact that the tourism views expressed in *The Age* were unrepresentative. In fact, the tourism industry in the area, represented by their association, Mystic Mountains Inc, has co-existed with the timber industry for a century. Last year they established a working group from both sectors and the Forest Department to address any conflicts and, more importantly, to work on areas of mutual benefit to grow both their industries. They do not support the protesters. This was noted in several press statements by Graeme Brown—Executive Officer of Mystic Mountains Inc—during the protests and at the meeting in Marysville on Tuesday 22 January. Mystic Mountains had convened a special meeting the night before, which 50 people attended. They reaffirmed that they endorsed the democratic approach that the two industries have adopted to address issues and did not support the protesters who were, in fact,

**REVIEW**

currently harming their tourism efforts. One person voted against the position taken by the association. *The Age* was provided with statements by Mystic Mountains, but none of them was reported.

Claire Miller also misrepresented the position of the local Aboriginal group which entered the debate, reporting the Green protesters' claims without adequate checking. She wrote:

Timber Communities Australia also released a statement by Judy Monk, an elder of the Taungurung people, who told the meeting that the traditional owners did not support the protesters. But protesters' spokesman Dave Marsden said another elder, [.....], had granted written permission for the blockade.

The statement regarding permission 'for the blockade' is factually incorrect. It would seem permission for a camp was provided on Wednesday 23 January without explaining that it was part of the blockade. The Taungurung people have provided the following account.

Three women and a child went to the CDP Aboriginal Centre in Healesville on Wednesday 23rd (the day after the Marysville meeting), wanting permission to camp on traditional Taungurung Land. All the elders except one were away at a gathering. [The name of the remaining elder has been withheld at her request—*Ed.*] After considerable insistence, a short statement was prepared along the lines of: To Whom it may concern, I as a senior elder of the Taungurung Aboriginal Tribe give permission to set up camp on traditional Taungurung land. She was unaware that these people had set up a fort/blockade or protest against the industry. They told her that they wanted to camp in a dry creek bed. The woman and other elders believe that these women manipulated the facts and deliberately hid that they were anti-logging protesters.

On Thursday night, when the other elders informed her of the real purpose behind the letter of authorization to camp, she became so dis-

tressed that she had difficulty breathing and needed to go on a respirator.

On the previous Sunday (20 January), 11 Taungurung people had visited the blockade to find out what it was about. They got into a heated debate with the Greens as they accused them of disrespecting the traditional land-owners. The elders who visited the blockade felt threatened by the behaviour of the Greens at the blockade and decided to leave. They contacted the industry on Monday to see whether or not they could assist, as they did not agree with the blockade or with the claims being made by the Greens. This had prompted Judy Monk, on behalf of the Taungurung, to read out a statement at the Marysville meeting which noted that:

- they had been consulted over the last 12 months *re* logging coupes and believed matters had been dealt with appropriately;
- 'the logging industry has been a vital component of our survival over generations';
- 'we are appalled at the lack of respect and contact shown to the traditional owners prior and during the erection of the blockade by the activists';
- they do not support the activists' actions.

This is not the first time that Claire Miller has sought to downplay or ignore Aboriginal support for the current timber plans and their opposition to Green groups' modes of operation. On several occasions, the Moogji Aboriginal Council of East Gippsland, based in Orbost, have issued statements of opposition to protesters and support for the industry. These have been published in the local paper but never reported in *The Age*. Instead, Claire Miller has given prominence to an individual Aboriginal from another group who opposed logging.

### NEWSPAPER ETHICAL STANDARDS BREACHED

The aforementioned and earlier reports by Claire Miller have breached a number of ethical standards.

*The Age* code of conduct states that the 'overriding principles are fairness, integrity, openness, responsibility and a commitment to accuracy and truth. Sustaining the highest editorial standards is essential to us retaining the trust of the community, and the freedoms and responsibilities afforded to us by the community.' 'Staff should seek to present only fair, balanced and accurate material.'

The Media, Entertainment and Arts Alliance: Australian Journalists' Association Code of Ethics states that journalists will apply the following standards: 'Report and interpret honestly, striving for accuracy, fairness, and disclosure of all essential facts. Do not suppress relevant available facts, or give distorting emphasis. Do your utmost to give a fair opportunity for reply.' 'Do not allow personal interest, or any belief, commitment, payment, gift or benefit to undermine your accuracy, fairness or independence.'

Clearly *The Age* has every right to publish Claire Miller's opinions as well as those of others with views on these issues—provided that these do not include errors, which has not always been the case. Her opinions, however, should not be allowed to cross over into her news reporting. Nor should she be allowed to selectively exclude facts, to allow language manipulation to occur through the use of words such as 'pristine' and 'old growth' (to describe regrowth) or to use her 'news reports' to present a distorted view to 'market' the campaigns of Green protestors and Green politicians along with her own views to *Age* readers under the guise of balanced news.

Michael Gawenda has a serious problem to address, if he wishes to maintain the ideals to which he and his paper subscribe. Inaccurate reports have the potential to do serious damage to people and communities.

*Graeme Gooding, a forester by training, currently works for the Victorian Association of Forest Industries.*

**I P A**

# The 'R' Files

ALAN MORAN

## Jumping Jack Flash— It's a Gas Gas Gas

Australia has vast volumes of natural gas, most of it off the coast in the remote north. The present gas pipeline network has mainly evolved on a State-by-State basis and been reliant on governments either building pipelines or guaranteeing prices. This government ownership/sponsorship model has proved to be costly and there is near unanimity that the future is one of private ownership and competition.

There remains considerable scope for expansion of the pipeline network and a good deal of private sector interest in doing this. The biggest threat is regulatory myopia. Regulators are seeking to socialize any potential profit and privatize losses by setting prices that fail to factor in the full costs of risks, but entrepreneurs are refusing to build new assets that would be hostage to such policies. Pipeline builders are either not pursuing opportunities at all, or else planning under-sized pipelines with their capacity fully committed so that they are beyond the authority of regulators to fix prices. The result is a lack of movement towards a national network, high-priced gas and lost development.

Australia's massive North-West Shelf gas reserves have long proved politically enticing. A quarter of a century ago, the prospect of piping this gas to the eastern states became a fanatical pursuit of Whitlam Government Minister Rex Connor. His bizarre attempts to finance this contributed much to the discrediting of that Government.

The accompanying chart shows the major sources of gas, and the



pipelines in place and projected.

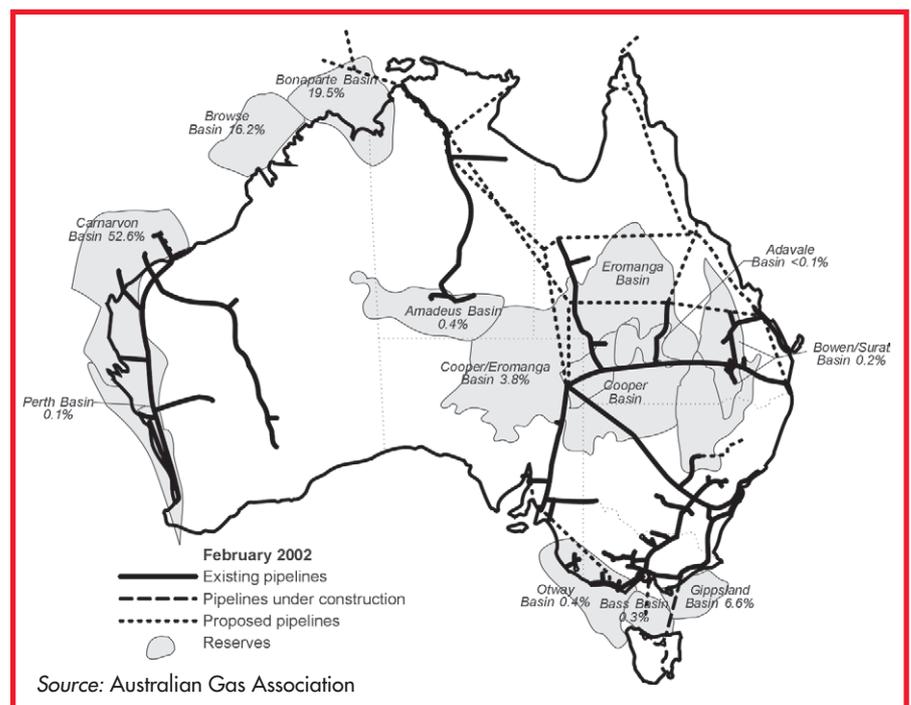
Gas is an excellent fuel source and is somewhat more flexible than coal as an input into electricity generation. Per unit of energy, it is also a third less greenhouse-gas intensive than coal, a feature that gas users and producers are not slow to emphasize. And for gas to make greater inroads into Australian energy usage means it must grab a larger share of electricity generation.

For many years, there have been plans to pipe gas down from Papua

New Guinea's Southern Highlands into Queensland. Press reports in February 2002 suggest that the project, which would cost \$3.5 billion, is getting closer to fruition.

The pipeline itself has access to gas which is virtually free since it is a by-product of petroleum development, cannot be flared and has no alternative market but Queensland. And the Queensland Government has been most accommodating. To assist the gas pipeline (and in the process mollify its environmental lobby) the Beattie Government has introduced a tax on new coal-fired electricity developments. The tax requires any electricity seller to source at least 13 per cent of new electricity supplies from gas-fired generation. Failure to do so subjects suppliers to a penalty equivalent to a tax of about 30 per cent on the incremental coal-fired electricity.

Even this leaves the pipeline hostage to competitive provision. Other gas is available, and could be



piped from Bass Strait, from Moomba and even from northern Australia.

## **THE POLITICS OF GAS AND ITS REGULATORY FRAMEWORK**

Subsidies and government encouragement are one thing, but gas developments would offer more promise if the regulatory framework under which they operate were to be reformed. In January, during John Howard's trip to the USA, American corporate interests expressed concern about inconsistencies in Australian energy regulation, inconsistencies that are affecting investment in Australia.

During 1997, Australian Governments introduced the national Gas Code—a stepchild of the Hilmer competition reforms. Administered by the Australian Competition and Consumer Commission (ACCC) and the National Competition Council (NCC), it was designed to bring about fair competition in gas.

The Code itself and its regulators pay lip-service to the view that regulation is very much a second-best approach to market competition. Even so, supposed 'market imperfections' are almost always infinite and invariably offer a determined regulatory authority countless opportunities to dream up reasons to intervene in the market.

The result is a regulatory environment that is stifling new developments and morphing the key skills of gas firms from commercial into political entrepreneurship. In a desire to avoid regulatory oversight, investors are designing pipelines as single-use facilities. This not only reduces pipeline capacity and increase costs, it also goes directly against the public interest in building a national integrated gas network. We are now seeing pipelines specifically designed so that they can avoid regulatory oversight—even where this means additional costs and reduced flexibility.

One of the key criteria in the Code is that a pipeline should be regulated where this 'would promote

competition in at least one market'. The regulatory authorities always relate this to the question of whether pipeline prices will be cheaper under a regulated regime or a market-driven regime that relies on normal commercial interaction. Voluminous reports almost invariably produce the answer, 'yes, a regulated price would be lower'.

In the narrow context of a single pipeline, it would, in fact, be astonishing if a different answer were possible. Pipeline costs are 95 per cent sunk. Once pipelines are in the ground, price reductions will not force lower output, while the

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***Pipeline builders are either not pursuing opportunities or planning under-sized pipelines with their capacity fully committed so that they are beyond the authority of regulators to fix prices***

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customers (and gas suppliers) can only gain by a lower haulage cost. And to justify cutting the price, the regulators can always claim that the pipeliner spent too much in building the asset or underestimated gas demand, or that future costs will be lower. That way, the regulators maintain the charade that they are not expropriating property rights.

## **PERVERSE OUTCOMES OF REGULATORY CONTROLS**

Regulators frequently maintain that they are simply administering a regime that is fair to users and devel-

opers alike. And with pipelines that were built under a regime that gave them protection from competition, regulating price and access conditions is a reasonable *quid pro quo*.

But here's the rub! We have now shifted to a regime where entrepreneurs are supposed to spot profitable opportunities and step in to meet consumer needs. For new pipelines, users and producers are both automatically winners. If the service is not provided, users don't get the benefit of the cheaper supply of energy, either gas itself or gas that supplies electricity generation. When pipeline owners observe that the regulatory authorities won't allow them the control that they want, they cease putting money into new developments. For, although government bodies can force down prices of existing assets, they are unable to force investors to build new assets (though the ACCC is seeking such powers).

The industry was, however, encouraged when, in 2001, the Australian Competition Tribunal overturned the NCC's ambitions to regulate Duke Energy's pipeline from Bass Strait to Sydney. That pipeline competed head-on with the existing Moomba-to-Sydney Pipeline (MSP) and a price war had already broken out.

The NCC accepted the Tribunal's decision and MSP therefore sought reciprocal treatment to escape its own regulatory prison. But the NCC showed a dogged refusal to give up an opportunity for regulation. It hired two American academics to write a report which said that reciprocity was not appropriate. The academics also showed touching faith in regulators' business skills. They maintained that because an ACCC draft decision proposed to reduce the price on the MSP further than it had fallen in the face of the competition from Duke, this proved that the company was gouging the market!

In response to the regulatory decisions, we have two major pros- ▶

pective developments that are being tailored to ensure immunity from regulatory oversight. One of these, SEAGas, links fields in offshore Victoria with Adelaide; the other, the Darwin-to-Moomba development, would fulfil Rex Connor's dream of bringing gas across the continent. The developers in both cases propose to design the pipes to cater only for pre-booked gas haulage, so that they escape regulation. This is in spite of the fact that, thanks to pipeline economics, costs per unit carried fall dramatically with size (for the Darwin-to-Moomba pipeline, capacity could be doubled at a cost increment of about 30 per cent).

This sort of sub-optimal outcome is, in fact, the best we can hope for under the present regulatory arrangements. Some major investors, notably AMP, have made it clear that they will no longer invest in regulated assets, and it is possible that, unless greater scope for entrepreneurial action is permitted, we will revert to the hitherto-abandoned practice of having the government own these assets, using the private sector only as a subcontractor. Such a consequence would then leave us vulnerable to the oscillations of grandiose plans followed by ultra-conservatism which are characteristic of government business decisions. This is precisely the sort of outcome that the Gas Code and other Hilmer reforms sought to combat!

The Commonwealth Government has foreshadowed a review of the Gas Code. This cannot come too quickly. But it would be folly to leave it to an inter-governmental process like the one that created the current Code. An expert review mechanism, like that which the Productivity Commission has perfected, must be the used instead.

*Dr Alan Moran is Director, Deregulation Unit, at the Institute of Public Affairs.*

**I P A**

# After Thoughts

## Tesna: One More Nail in the Coffin

by **MIKE NAHAN**

The Ansett/Tesna débâcle does have one major benefit—it hammered another large nail in the IR Club's coffin.

It is now clear to all that the Tesna deal was just another rendition of the IR Club waltz. Two tycoons teaming up with the unions to fleece taxpayers and consumers through the use of political muscle. The deal was based on the Commonwealth forking out \$1 billion of taxpayers' funds and providing protection to Tesna against its competition. And the quid pro quo for this largesse was political support during a tough election—and the consortium provided this in spades to the Labor Party during the last election campaign. As it turned out, it backed the wrong horse. The Coalition won and did the right thing by refusing to dance the dance.

As a result, the aviation industry, which has up until now been Club heartland, is now no longer. Virgin Blue, with its highly competitive IR arrangements, is set to expand and fill the gap in the discount market—the section of the market that is likely to grow most rapidly. Qantas, which was a foundation member of the Club, has handed in its membership card. It knows that the days of protected national carriers are over and that air travel is now a commodity business. It has seen airlines around the world with

productive workplace arrangements such as those at Virgin Blue flourish, while airlines with arrangements such as theirs go bankrupt. And it is still fuming from the attempts by the unions as part of the Tesna deal to nobble it.

Thanks to Tesna's downfall, the public is now more fully aware that the IR Club exists to help its members rather than them. Messrs Lew and Fox were set to become richer. The unions were set to remain in control of the business. All that the public was going to get from Tesna was a big bill, high-priced tickets and an inefficient airline.

The episode is also an expensive reminder to industrialists that unions are no longer in control of the game and are risky partners.

The biggest hope is that the débâcle will push the ALP in the right direction. Mr Beazley and Mr Crean were central players in the scam. Even up to the day when the scam officially fell apart, the ALP leadership was willing to do 'whatever it takes' to get Tesna up. The collapse of Tesna will further highlight the already unhealthy control that the unions have over the ALP and bring forth demands by the electorate for a divorce.

Whether the Commonwealth can take advantage of the IR Club's problems remains to be seen, but Tesna should help.

# Greenhouse and Green Energy: Ten Realities

BRIAN J. O'BRIEN

**Y**EARS after Australian Governments took their Viagra competition pills, as prescribed by Dr Hilmer, they are still confused about what to do with all their energy. Part of the confusion comes from misinformation about the interrelationships between energy, Greenhouse and 'Green Energy'. Political correctness always plagues Greenhouse debates in Australia.

'Green Energy', a.k.a. Green Power, a.k.a. Renewable Energy, a.k.a. Sustainable Energy, is both the great hope of greenhouse advocacies and a great source of confusion. It is the generic name given to electricity 'generated from clean, renewable energy sources' such as photovoltaics (solar cells), wind-powered generators, hydroelectric systems or tidal systems.

To assist informed debate, I made a reality check of Greenhouse and Green Energy, using the official databases of the Australian Greenhouse Office <[www.greenhouse.gov.au](http://www.greenhouse.gov.au)>

I used only the 38 official 'Success Stories' chosen from 700 industries and organizations which have signed up to reduce greenhouse emissions.

- *Greenhouse Successes have poor accountability and rigour*

Only 17 of the 38 'Success' stories provide the two most fundamental measures of 'success'—figures of actual greenhouse gas savings in tonnes and related savings (or costs) in dollars.

That 55 per cent of projects can be labelled a national 'Success' without such elementary accountability engenders scepticism. Even the top Government agency, Environment Australia, gave no dollars or tonnes

for refurbishment of its 1924 John Gorton Building being a 'Success'.

- *Many Greenhouse 'Successes' are just commonsense, saving money by reducing waste of electricity or fuel*

Australia Post encouraged staff to be energy-conscious, including washing tea cups in a sink rather than in the boiling water unit. The cost saving is \$260,000 for an emissions saving of 4,000 tonnes of carbon dioxide annually. To put this into perspective, Australia has to reduce emissions by some 50,000,000 tonnes per annum to meet its Kyoto commitment.

Kalari Transport's success lay in modernizing its fleet and optimizing its use, saving 885 tonnes. The story reports removal of bull-bars from trucks, but I am advised that after a couple of bad accidents in the outback, some bull bars have been replaced. Net cost is not stated.

My favourite Success Story is the 'Smart Building Management' of the \$1 billion Parliament House, Australia [sic]. From 1988 to 1997, the best-practice computerized Building Management System (BMS) did not realize that Parliament does not sit for half of each year. BMS air-conditioned empty rooms of absent Members and Senators.

Now the 1,810 original pneumatic controllers are being replaced with electronic controllers to shut off air-conditioning in unused rooms. About 2,000 tonnes and \$2 million are saved annually. The 'Success Story' stated that 500 units were replaced. I am advised that in February 2002 the number is 900. Australia is indeed a clever country, though perhaps a tad slow.

- *Larger Greenhouse Successes may incur real costs*

Shell Coal is now flaring methane from the coal seams at Queensland's German Creek, saving 200,000 tonnes at a cost of \$320,000. Shell continues to investigate alternative, commercial use of the waste methane.

The Lifetimes Emissions Savings project of Woodside Petroleum re-injects greenhouse gases into the Laminaria-Corallina and Legendre oil-fields, saving a total of 13 megatonnes at a cost of \$105 million.

- *Few official Greenhouse Successes involve Green Energy*

We can also use the official Success Stories to make reality checks on 'Green Energy'. Despite much media promotion of Green Energy and despite mandated incentives of the Commonwealth *Renewable Energy (Electricity) Act 2000*, only five of the 38 Greenhouse 'Success Stories' relate to the production of 'Green Energy'.

- *Green Energy is often unsustainable and unpredictable*

ACTEW invested \$2.3 million in a hydroelectric scheme using surplus mains water in the Mt Stromlo area. This cuts carbon dioxide emissions by 3,000 tonnes, and produces an economic return at 7.5 per cent annually. The scheme does not run in summer when there is no surplus water.

This Success Story illustrates the little-publicized unreliability typical of Green Energy.

The term 'Sustainable Energy' is disingenuous, because 'Sustainable Energy' is rarely sustained, while its most publicized forms—solar power, ►

wind power and hydro—are as unpredictable as the weather.

- *Few customers of Green Power are supplied actual Green Power*

Actual Green Power from any of the 23 eligible Green technologies and sources <[www.orer.gov.au](http://www.orer.gov.au)> is delivered as ‘renewable energy’ into a grid, or to an end user, or to a retailer or wholesale buyer. Individual households or businesses can pay an additional tariff of about 20 per cent for ‘Green Power’, but they will rarely get or use pure ‘Green Power’.

The Sustainable Energy Development Authority (SEDA) of NSW Website <[www.seda.nsw.gov.au](http://www.seda.nsw.gov.au)> states: ‘You can ask your electricity supplier to source the energy you use from renewable sources’. I suggest that readers might ‘ask’ for themselves, as a simple test of the rigour of Green Power governance.

- *Green Power statistics may involve creative accounting*

Accredited Green Power products are now offered everywhere, except in Tasmania and the Northern Territory. Out of 15 suppliers, 13 count as ‘customers’, even those paying only a fraction of the full additional tariff for Green Power. Some count commercial firms as ‘customers’ even if they pay only 1 per cent of the tariff.

- *Fewer than one per cent of Australian customers are willing to pay even a fraction of the additional tariff for Green Power, even after four years of heavy promotion.*

For a national energy debate, one needs to know dollars—how many supporters pay the full Green Power tariff and will continue to pay. This number is not readily available, but the nationwide Green Power Web site <[www.greenpower.com.au](http://www.greenpower.com.au)> provides public reports to assist accountability.

Since September 2000, Green Power Customers have fallen from a peak of 63,000 to about 60,000. In September, October and November 2001, new customers were 569, 506

and 400 respectively. There are about eight million Australian households.

- *Collateral costs and Greenhouse emissions of Green Energy are often ignored*

Consider the Success of Macquarie Generation’s Green Energy trial of a 5 per cent blend of sawdust and wood shavings in the traditional coal fuel stream at NSW’s Liddell Power Station in 1999. Macquarie ‘saved’ about 4,500 tonnes of carbon dioxide.

A practice common in Green Energy accounting is to ignore (a) collateral costs and (b) greenhouse gases emitted in generating Green Power, in this case collecting and transporting sawdust and wood shavings. But there are darker mysteries.

- *No ‘Success Story’ of the generation or use of Green Energy includes proof that the savings are real, with generation of ‘dirty’ energy replaced by the ‘saved’ amount*

Those commonsense ‘Successes’ such as Australia Post, where electricity or fuel use was actually reduced, can obviously and validly claim a ‘saving’ in reduced greenhouse emissions.

But once Green Power is involved, claims of ‘savings’ must be carefully checked. Such ‘saved’ emissions can be real in greenhouse accounts only if there is an associated reduction or replacement in the **generation** of ‘dirty’ power to match the Green Power **used**.

For example, Macquarie sold ‘almost 3,000 Mwh’ of its ‘saving’ of 4,760 Mwh of greenhouse emission credits to two energy retailers ‘as part of their meeting their NSW retail licences’. This opens a window into a dark field where my simple physicist’s mind is bewildered. The 4,760 Mwh never existed as a measurable entity. Yet ‘almost 3,000 Mwh’ was sold. Further, it was sold to meet retail licences.

## CONCLUSION

My analyses of realities of Green Energy will be examined more completely in another article, but some already

require an alarm to be sounded urgently.

Consider two high-profile Success Stories. EnergyAustralia ‘supplied all major venues for the Sydney 2000 Olympic and Paralympic Games.... with 100 per cent renewable energy....’ The Olympics are an official Success Story, without full costs being disclosed.

Most power was used at night for spectacular lighting displays. Was all the power to support such peak displays really Green at night, when all solar power was zero? Was it from wind turbines? Clearly not, on balmy nights. Did EnergyAustralia buy the power from other suppliers of Green Power? Or was most power drawn from the baseload grid, mainly ‘dirty’ power? I have been advised that power was repaid over one year, but lack details.

The administration and audit of such suites of alleged ‘savings’ from the use of Green Power must be of awesome complexity. A new form of ‘currency’, Renewable Energy Certificates, has been created by the *Renewable Energy (Electricity) Act 2000* to demonstrate compliance.

It all seems to my ill-educated mind like musical chairs played in virtual reality. I wonder who will be sitting in the last chair in NSW when the music stops.

The Office of the Renewable Energy Regulator <[www.orer.gov.au](http://www.orer.gov.au)> is carrying out an audit. If Australia ratifies the Kyoto Protocol, such audits would also be needed to tally real ‘savings’ as credits towards the Kyoto commitment, with a rigour accepted by international scrutineers.

My comments are not intended to disparage innovative technologies or well-meaning advocacies in Australian Greenhouse Challenge or Green Power. But we live in a real world. Blunt, fact-based discussion of such issues is both essential and long overdue.

*Dr Brian J O'Brien is a strategic and environmental consultant, author of many greenhouse analyses from Postponing Greenhouse (1990) to Australian Greenhouse Governance: The Twilight Zone, (March 1999) in <[www.atse.org.au/publications/focus](http://www.atse.org.au/publications/focus)>*

**I P A**

**REVIEW**

# Education Agenda

KEVIN DONNELLY

## Secret Education Business

Imagine. You are moving to a new city from overseas or interstate and you want to know which school will best meet the needs of your children.

If you live in England, the answer is simple. Look at the Office for Standards in Education (OFSTED) Internet site and you can search for the name of a particular school and download the school's inspection report.

Government-funded schools are inspected every six years and a written report is made publicly available. The report addresses questions such as: What sort of school is it? How high are standards? How well are pupils taught? How well is the school led and managed?

Not only do inspectors evaluate the school, but schools are also identified as successful or under-performing. In the language of OFSTED, inspectors have to decide:

... whether or not the school, although providing an acceptable standard of education, nevertheless has serious weaknesses, in one or more areas of its work; whether or not the school, although not identified as having serious weaknesses, is judged to be underachieving.

Unlike schools in Australia, where there are no official sanctions or rewards, English schools are evaluated and, if found wanting, face the consequences. Such transparency is the opposite of the situation in Victoria, for example, where the Government refuses to rank schools or to make test results widely available.

In addition to inspectors' reports, it is also possible to search

the OFSTED Internet site to find out how well schools perform in national tests. In primary schools, for example, all 11-year-old students take tests linked to the national curriculum.

The test results are then posted on the Internet. Parents can search a database by postal code, by local education authority or by the name of a particular school. Shown against the national average and the average grades achieved by the local education authority are the grades achieved by individual schools.

Greater accountability and transparency are also being forced on American schools. President Bush's recent national education bill (to the value of \$US26.5 billion, 2002) requires state testing in reading and maths for every child from grades three to eight.

The bill also provides incentives for under-performing schools to improve. First, under-performing schools receive additional funding; second, if results still do not improve, students receive funding to pay for private tutoring.

Finally, if particular schools consistently fail to meet the grade, students will be allowed to transfer to more successful schools. Again, this is unlike Australia, where education departments and governments allow failing schools to put students at risk year after year, without any attempt to address the root cause of the problem.

Of course, those most to gain from keeping Australian parents in the dark—teacher unions and faceless education bureaucrats—argue that test results or inspectors' reports should never be released. Public exposure will destroy a school's reputation and students' self-esteem.

In answer to those resisting change. First, comparing schools is not simply a matter of comparing apples with bananas. In England, research into how schools 'value-add' to student performance is based on comparing schools with a similar socio-economic profile.

Thus, schools from a wealthy area, with good facilities and parents able to afford the extras, are compared against similar schools, and not against those in less privileged areas. Second, making results public, in most cases, leads to under-performing schools receiving additional funding and to standards improving.

As parents will agree, there is also the reality that good test results, by themselves, are not the sole reason why they might choose one school over another. But when such results are made public, parents are in a position to make a more informed decision.

All Australian departments of education have been collecting data about school performance for some years. State and Territory governments also have the results of literacy and numeracy testing, generally at grades three and five for all primary schools, since being introduced over the last eight to ten years.

In addition, school Year 12 school results are also available to rank schools. Given the rhetoric about accountability and empowering communities, one wonders when the Ministers of Education of the State and Territory Labor governments will make such information freely available.

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**I P A**

# The Secular West and the Dangerous Quest for Meaning

ANDREW McINTYRE

**T**HE success of globalization and the Western, secular free-market system have been brought sharply into focus since the events of 11 September.

In recent decades, a coalition of environmentalists, anti-globalization socialists, human rights activists, various church groups and the media have waged a concerted campaign against the very mouth that feeds them. With the 'rise' of Islam and the attacks on New York and Washington, a re-invigorated debate has focused on secularism, free markets, and the search for meaning in an economic system that apparently does not provide any. Curiously, the Left, with its anti-empirical, anti-scientific approach to modern-day problems (greenhouse, the environment, GM foods, immigration, Aboriginal issues, free trade and globalization itself), has found a vigorous ally in Islam.

Common to both groups is a distaste for modernity, an ignorance and misunderstanding of the claims of science and, most importantly, a human desire to appeal to a higher moral authority (either religious or ideological) to provide meaning and direction to their lives.

With regard to science and objective reality, much has been written. Paul R. Gross and Norman Levitt wrote a devastating critique of universities in *Higher Superstitions, the Academic Left and its Quarrels with Science*. Alan Sokal perpetrated a stunning hoax on cultural studies academics with *Towards a Transformative Hermeneutics of Quantum Gravity*. On the Islamic side, Pervez Hoodbhoy [*Islam and Science: Religious Orthodoxy and the Battle for Rationality*, 1991] gives im-

portant insights into why the Muslim world is averse to science and why it is incapable of producing wealth through research, innovation and technology. Ibn Warraq [*Why I Am Not a Muslim*, 1995] explains clearly why the secularization and reformation of Islam is a necessary process if it is to move into the modern world.

The distaste in many parts of the Christian Church for our secular world is expressed by various writers. Paul Johnson, in his biography of John Paul II, claims that 'we have caught our first glimpse of a totally secularized world and it has filled us with terror'. Dr

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**The irony in all this is that the secular West tolerates ... almost every conceivable creed and religious group in existence**

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Michael Casey, private secretary to Archbishop George Pell, in his recent book, *Meaninglessness: The Solutions of Nietzsche, Freud, and Rorty*, expresses his profound doubt that we can live in a world without meaning, a world he attributes to an aggressively secular, free-market society. John Hirst, in his introduction to the book, also expresses concerns about Australia's 'modern wasteland'.

In a similar vein, John Gray, Professor of European Thought at the Lon-

don School of Economics and author of *False Dawn: the Delusions of Global Capitalism*, dismisses Western modernity as 'an era of delusion'. He imagines 'how closely the market liberal philosophy that underpins globalization resembles Marxism. Both are essentially secular religions'.

Jean-François Revel, the distinguished French writer [*La Grande Parade*, 2000] offers an important corrective to these misunderstandings from both religious conservatives and the Left:

Another misunderstanding concerning liberalism rests on the belief that it would be, like socialism, an ideology. Nothing could be more false, for liberalism never had the ambition of constructing a perfect society.... Unlike socialism and communism, liberalism has the capacity to reform itself and correct its faults.... It is based on experience. It is not an aberration, nor is it a utopia. Because one never evaluates a utopia.

The irony in all this is that the secular West—in addition to its democracy, rule of law, separation of powers, relative absence of corruption, freedom from slavery, poverty and starvation, universal education, an underlying merit-driven, open, casteless and classless society—tolerates, in a way that is unique in human history, almost every conceivable creed and religious group in existence, along with nearly every extreme ideological view imaginable. On a prosaic level, put by Victor Hanson ['Why The Muslims Misjudged Us', *City Journal*, 2002], most of those in the Middle East on a diet of *al-Jazeera* television, screaming in the street at the

**REVIEW**

Great Satan, actually desperately want all those things the West provides.

How does the West, then, defend itself against this informal alliance of enemies of secularism? Way back in 1959, CP Snow [*The Two Cultures and the Scientific Revolution*] clearly understood what was at stake:

There is a moral trap which come through the insight into man's loneliness: it tempts one to sit back, complacent in one's unique tragedy, and let the others go without a meal.... As a group, the scientists fall into that trap less than others.... If the scientists have the future in their bones, then the traditional culture responds by wishing the future did not exist. It is the traditional culture, to an extent remarkably little diminished by the emergence of the scientific one, which manages the Western world....

If we forget the scientific culture, then the rest of Western intellectuals have never tried, wanted, or been able to understand the Industrial Revolution, much less accept it. Intellectuals, in particular literary intellectuals, are natural Luddites.... For, or course, one truth is straightforward. Industrialization is the only hope of the poor.

We simply have no choice. The catastrophe of the Muslim world (in Hanson's view) and the problem for the Left and to some extent various sects of the Christian Church in the West, is their failure to grasp the nature of Western success. To reject our world because it provides no evidence for, or utility in, arbitrary or irrational belief systems—beliefs which indeed impede the rational decision-making and consensus at the heart of secular liberal progress—could mean a return to an infernal new barbarism and primitivism that does not bear thinking about.

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**IPA**

# The Blair Files

TIM BLAIR

## Poverty Causes Terrorism?

Poverty causes terrorism. This must be true; after all, so many intelligent, educated people believe it.

CNN founder Ted Turner announced in February that 'the reason that the World Trade Center got hit is because there are a lot of people living in abject poverty out there who don't have any hope for a better life'. South African President Thabo Mbeki told the United Nations last year that poverty 'breeds a deep sense of injustice'. Argentina's then-President Fernando de la Rúa said last November that 'unequal distribution causes frustration and despair'. (Unfortunately for Fernando, Argentina's very equal distribution of unemployment and debt forced him to resign one month later.) 'At the bottom of terrorism is poverty,' declared South Korean President Kim Dae-jung. And Bishop Desmond Tutu claimed that 'external circumstances such as poverty and a sense of grievance and injustice can fill people with resentment and despair to the point of desperation'.

Problem is, it's almost impossible to find an actual poor terrorist. Osama bin Laden is worth more than the combined annual earnings of the people his goons killed in the WTC. The goons themselves were middle-class; in his final telephone conversation with his father, September 11 terrorist Ziad Jarrahi was promised a new car when next he returned to Lebanon.

Mere facts shouldn't destroy our faith in the poverty-terror nexus. 'The suicide bombers of September 11 appeared not to come from

poor countries,' Britain's International Development Secretary Clare Short told the BBC. 'But the conditions which bred their bitterness and hatred are linked to poverty and injustice, there is no doubt'.

Oh yeah, Clare? In fact, the bitterness and hatred of most modern terrorists are more usually linked to wealth and education.

Bill Ayers was the son of a Chicago bank executive. He grew up to become a member of the bomb-happy Weather Underground, spouting lines like: 'Kill all the rich people. Break up their cars and apartments'. He could have started with his fellow members: another Weatherman, Silas Trim Bissell, was grandson of the Bissell carpet-cleaning founder. (By the way, the same area of California that spawned most Weather Underground members also gave us John Walker Lindh, son of a rich lawyer turned bin Laden warrior.)

Italy's murderous Brigade Rosse was founded in 1970 by students who thought it cute to foment revolution in Milanese car factories. They'd drop by, yell some Marx at the puzzled workers, then slouch off to their afternoon lectures. Well, that's how things started; by the early 1980s the Red Brigade had killed nearly 400 people.

Ulrike Meinhof, second banana in Germany's Baader-Meinhof Gang, was born to a fantastically rich Hamburg family. In nine years, she and her commie comrades killed 31 people, most of them poorer than Meinhof herself.

Notoriously impoverished 1970s Japan saw the rise of the Japanese Red Army, led by

teacher's daughter Fusako Shigenobu. Her group had to go offshore to find injustices; in 1972, at Israel's Lod Airport, JRA operatives killed 26 tourists.

But wealth and education by themselves do not terrorists make, otherwise the Young Liberals would be smuggling Semtex instead of guzzling champagne, and Sydney's Palm Beach would be a hotbed of revolutionary fury. Some other ingredient is required before the money/university mix becomes volatile.

That ingredient is stupidity. Blind, wilful stupidity.

Examine any terrorist group and within minutes you'll encounter spectacular dumbness. The Weather Underground took their name from a Bob Dylan lyric—lucky they weren't founded during the disco era; they'd have been known as the Shake Your Groove Thing Collective—and specialized in accidentally blowing up themselves, rather than their enemies.

The Symbionese Liberation Army chose as its first victim Marcus Foster, a black California school superintendent. His crime? The SLA believed he wanted high school kids to carry ID cards.

Those Symbions didn't read many newspapers. Foster had withdrawn his support for the ID plan by the time he was murdered.

The moron Meinhof should have become a publishing tycoon but was too stupid to realize she'd stumbled upon a dynamite magazine idea. In the early 1960s she was appointed editor of *konkret*, a boring political journal secretly funded by East German com-

munist. When the communists withdrew their cash in 1965, a desperate Meinhof added pornography to *konkret's* drab sociopolitical text.

Sales soared. Meinhof had unwittingly hit on a formula we see echoed today in magazines like *black + white*, right down to the lower-case title. Instead of sticking with her job, Meinhof hooked up with Baader, and ended up killing herself in gaol.

Two years ago, after decades on the run, the JRA's Fusako Shigenobu crept back into Japan, believing her false name and changed appearance made her safe. But Fusako didn't alter any of her strikingly individual mannerisms, such as smoking a cigarette as though it were a pipe, and continuously exhaling smoke rings. 'It

was that little something that got her,' a police spokesman told the Japanese papers.

You don't need to go to Japan or the US or Lebanon to find delusional zeal. In the Melbourne student house I shared with various leftists during the early 1980s, I was one day

denounced for reading *The Age's* sports pages before turning to the front. Such distractions, I was told, would 'delay the revolution'.

None of my firebrand housemates ever became revolutionaries, however. Perhaps they weren't rich enough.

*Tim Blair is a Sydney-based journalist, who was a former writer for Time Magazine, an ex-columnist at the Daily Telegraph, and editor of Sports Illustrated.*

## Notable Quote

### Reality versus Myths Bjørn Lomborg

It is crucial to the discussion about the state of the world that we consider the fundamentals. This requires us to refer to long-term and global trends, considering their importance especially with regard to human welfare. But it is also crucial that we cite figures and trends which are true. This demand may seem glaringly obvious, but the public environment debate has unfortunately been characterized by an unpleasant tendency towards rather rash treatment of the truth. This is an expression of the fact that the Litany has pervaded the debate so deeply and for so long that blatantly false claims can be made again and again, without any references, and yet still be believed. Take notice, this is *not* due to primary research in the environmental field; this generally appears to be professionally competent and well balanced. It is due, however, to the communication of environmental knowledge, which taps deeply into our doomsday beliefs. Such propaganda is presented by many environmental organizations, such as the Worldwatch Institute, Greenpeace and the World Wide Fund for Nature, and by many individual commentators, and it is readily picked up by the media. The number of examples are so overwhelming that they could fill a book of their own. ♡

Bjørn Lomborg, *The Skeptical Environmentalist: Measuring the Real State of the World*, Cambridge University Press, 2001.

I P A

# What's A Job?

KEN PHILLIPS

## IR Works Against Workers

Generally, we are expected to believe that the Australian industrial relations system exists to protect workers from the evil effects of 'market forces'. Such moral posturing maintains that if wages weren't regulated, free markets would push down wages to create more profit for greedy bosses. In fact, this proposition masks the reverse intent of the industrial relations system, namely, to control and suppress workers' wages. The IR system has more to do with the state seeking to protect employers from high labour costs than it does with the protection of workers' rights. The trade-off is supposed to be more jobs.

This simplistic nineteenth-century-based analysis of labour economics, however, implodes when compared to the reality of labour markets, such as those in the information technology sector.

The IT industry is typified by high labour costs that find high natural levels because market forces prevail. In the market for IT labour, even rudimentary technicians start at hourly rates of \$40, rising to \$100 per hour and more, even on long-term contracts. Read any IT magazine and a common complaint of IT companies is that they cannot find and retain the IT people they need, and that pay rates are out of control. Read the comments of IT contractors and their desire is to prevent IT companies from dominating the market or securing regulation that will limit the ability of contractors to shop around for the highest price for their services. Even with the current slump in the sector, the existence of a non-price-regulated market delivers real financial benefit

to IT workers. And there is a steady stream of people training to enter the IT sector, which has not depressed pay rates significantly because of the growing demand for skilled people.

Compare this to what is happening to nurses. For 20 years or more, nurses have suffered from increasing educational, performance and responsibility expectations while their incomes have been suppressed in a highly regulated industrial relations environment. The near-monopoly

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***The IR system has more to do with the state seeking to protect employers from high labour costs than it does with the protection of workers' rights***

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employer, in this case government, has tried to use the IR system to contain labour costs. But the long-term regulation of nurses has finally caught up with the employer and there is now a severe shortage of nurses. There are plenty of highly trained nurses—it's just that they refuse to work. The regulated labour market for nurses has suppressed nurses' incomes and created an availability crisis.

As happens whenever markets are rorted, other market mechanisms have moved in to fill the void, in this case, with the emergence of a vigorous nurses' labour-hire industry.

Nurses register with lots of agencies while shopping around for the best prices. Hourly rates have, as a consequence, risen well over the \$25 paid under the award, to above \$85 an hour and as high as \$150 per hour. This free market in nurses has begun to reflect the rates and dynamics of the IT sector—much to the annoyance of the employer.

Now a desperate Victorian Government has moved to try and depress nurses' incomes. It wants to destroy the market for nurses and set up a central tendering agency through which all nurse placements must occur. The primary intent of the employer is to force nurses' pay down near the low award rates. This regulation route is being attempted because nurses have deserted the industrial relations system for the free market. The government is desperate to control the market for its own budgetary purposes. To succeed in this effort, it has applied to the Australian Consumer and Competition Commission for exemption from the *Trade Practices Act* on the grounds of 'public interest'.

And before anyone jumps to the defence of this re-regulation on the need to contain health costs, first contemplate why health system costs are exploding. Is it the fault of the nurses? Or of the employer—the government, which has failed to create an efficient system?

Whatever the answer, the key point remains strong: labour regulation is designed to save employers from their own inadequacies by depressing the incomes of the people who do the work!

*Ken Phillips is a workplace reform practitioner who promotes the principles of 'markets in the firm'.*

**I P A**

Compiled by IPA staff, columnists and consultants ...

## LAWYERS: SOCIALIZING PRIVATE PRACTICE

Lawyers have been doing it tough. The national competition policy has stripped them of a number of lucrative monopolies, such as conveyancing, and now they face a flood of new graduates—with the number of people studying law exceeding the number practising law.

How have they responded? Well, with outstretched hands. The Law Society of NSW has launched a campaign to save the bush lawyer, claiming that competition policy is driving lawyers out of the bush and threatening the very fabric of rural society. The Society's solution? You guessed it: government subsidies—that is, for taxpayers to subsidize lawyers to sit around, in rural areas, for the good of the community.

Somehow we think that they are going to have to do better than this.

## IT'S A DOG'S WORLD

A major conflict is brewing between Korea and Australia and it has to do with dogs and food.

No, not restriction on dog food exports, but rather restrictions on export of dogs *as* food.

Dog meat is very popular in Korea, indeed its consumption is often perceived as part of a cultural tradition. The trouble is that legally its a grey area—neither food nor pet.

In response to pleas from restaurant owners anxious to popularize the eating of dog meat in the run-up to the World Cup, Korean lawmakers are working on a bill which would classify dog meat as livestock.

This, naturally, has dog lovers barking, claiming that 'Never before in the history of the world have OUR pets been exported for food'. The Koreans have countered with claims of cultural imperialism.

The Australian Kennel Council has taken the dog by the collar and banned the export and sale of all dogs to any country where they may be consumed as food. The Australian Government is now working on drafting a bill to enforce the ban in law.

Will the issue go to the WTO? Will the dispute threaten our livestock trade with Korea? Will dog meat be a hit with soccer yobbos?

## SPOT THE INCONSISTENCY

The Gallop Government, under the banner of individual rights, has put a bill before the WA Parliament that will give teenagers over the age of 16 years the right to participate in homosexual acts with other consenting adults. This will supposedly allow teenagers to negotiate and explore their sexuality without interference from the state or third parties.

The Gallop Government also has a bill before Parliament, which, under the banner of protecting youth from exploitation, will remove the right of teenagers below the age of 18 years to enter into contracts of employment. That is, the bill will remove the erstwhile rights of teenagers to negotiate and explore their work options, and instead hand them over to Dr Gallop and his mates in the unions to determine.

## THE ORGANIC VISION: BACK TO THE INGLORIOUS PAST

The Institute for Food and Development Policy (an organic farming lobby group) has just released a book on 'sustainable agriculture' which finds Cuba's agriculture system to be the model for the world.

Why? Because Cuba uses little fertilizer, herbicides or machinery, and exports little—in short, because it is stuck in the past.

Somehow we don't think that even Uncle Fidel would support his organic comrades. Cuba relies on antiquated agricultural methods not from choice but out of necessity; technology has been essentially frozen for over 40 years by the enforcement of sanctions and a lack of money.

Nor should the rest of us support this nonsense. As Indur Gokany of the Political Economy Research Center stated, 'Imagine the devastation that would have occurred had agricultural technology been frozen at 1961 levels.... Massive deforestation, soil erosion, greenhouse gas emissions, and losses of biodiversity would occur with the more-than-doubling of land and water diverted to agriculture....'

## FISHMONGER SUED FOR SELLING FRESH FISH

In a world first, a fish seller in Norway is being sued for selling fresh fish. No this is not a typo. The activists from People for Ethical Treatment of Animals (PETA) have taken action against a fishmonger for selling fish that were still moving.

Understandably a little perplexed, the fishmonger countered that he was only doing what his customers demanded. Moreover, he reasonably asked, 'what is the difference between a fish dying on ice in his shop and dying on ice on-board a boat?'

The answer from PETA, whose real aim is to stop fishing altogether, is that it is cruel to kill fish—no matter how or where.

PETA may be a bunch of crackpots, but with an annual budget of over \$50 million and the support of celebrities such as Paul McCartney, they can wipe the floor with any little fish seller in Norway.

IPA

REVIEW

# Letter from London

JOHN NURICK

## So Joined-up It's Stationary

Changing planes at Paris in the New Year, I exchanged the French and Belgian francs left over from holidays and business trips for crisp and shiny new euro banknotes and coins. It took about one minute. That seems typical of the introduction of euro notes and coins in the 12 eurozone countries. On the whole, there was very little trouble—except for retailers, who had to decide whether to convert (say) DM14.99 accurately but unentirely to €7.66, round it up to €7.99 or down to €6.99.

The euro is a done deal. Two of the hold-out countries—Sweden and Denmark—are likely to join before long. Only in Britain is it *the* European issue: everywhere else, the hot topics are enlargement (how and when to admit countries such as Slovenia, Cyprus, Poland, and Estonia), and the constitution (the constitutional convention started work in February).

I was in Paris on the way back from Christmas in WA. It had been just like home: the newspapers were full of 'hospital crisis', but local governments clearly had buckets of money to spend on traffic calming and fancy paving.

I don't know what Geoff Gallop said, but Tony Blair promised us 'joined-up government', and hasn't delivered it. We've got thousands of hospital beds occupied by people who don't need to be in hospital, because there aren't enough nursing home beds or home help services. Hospitals are part of the National Health Service, but nursing homes and home help are the responsibility of local government social services—who don't get the money that's being spent on chicanes and speed humps by other parts of local government.



Meanwhile, new regulations on accessibility and safety are making things worse. Many nursing homes can't afford to widen all their doorways, install new ramps and lifts, and so on, and are closing instead. The amount the government pays for nursing home accommodation is anyway so small that, even before the new regulations, many private nursing-home businesses were worth less than the value of their assets.

Last year's foot-and-mouth outbreak gives us another example. It probably originated with some illegally imported meat (though its rapid spread was due partly to farming practices and partly to government delays). Everyone knew that people were illegally bringing meat into the country—there were stories of suitcases dripping blood arriving on flights from West Africa—but nothing was done. The port health services—part of local government—don't have power to inspect baggage, arrest people or impose fines, while Customs—who do—weren't interested.

What's amazing is that more than a year after the outbreak began, nothing seems to have changed. When an incoming flight was spot-checked in February, the BBC reported that 300kg of illegal meat had been found in passengers' baggage—and that this

was the *first* such check for nine months. They asked an Australian customs inspector what he thought about that; he could hardly believe it.

These two examples are from areas where central government holds both the stick and the carrot (central grants account for more than 80 per cent of local government funds). Where central government has less power, or does not wish to exercise it, joined-up government involves a mass (or mess) of regional agencies, task forces, strategies, and action plans. For instance, the European 'Objective 1' economic development funding programme for West Wales and the Valleys involves the Welsh European Funding Office (WEFO) and other Welsh regional agencies; a monitoring committee; five 'regional partnerships'; seventeen 'local partnerships'; and three 'crosscutting themes'. Each has its strategies, objectives, priorities, action plans, output targets, guidance for applicants, and axes to grind.

In fact, it's almost unworkably complex and parts of it are way behind schedule. I'm involved with a project that's seeking a few million pounds under an Objective 1 'measure' to subsidize ten 'strategic sites'. Eighteen months after the programme started, WEFO had only managed to select *one* site. Even if all goes well, there seems no chance of 'our' project receiving any money before about March 2003, 30 months after first lodging an application.

Would you ever believe that all this is meant to encourage entrepreneurship and small business?

*John Nurick is a management consultant based in the South of England. From 1985 to 1990, he was editorial director of the Australian Institute for Public Policy, and later edited newsletters reporting on the UK Parliament and European Union institutions.*

I P A

REVIEW

MARCH 2002

23



The cynic could well argue that the War Against Terrorism, like other wars, makes a wonderful excuse to impose a range of measures that the population of a free nation wouldn't tolerate in 'peacetime'. So it may not be surprising that the longest currently running 'war', the War on Drugs, has had just such an effect.

Before proceeding, I shall state up front that the rest of this column is in favour not of decriminalization, nor even in favour of directing drug 'offenders' away from the criminal justice system and into medical treatment. Here, I am providing resources for those interested in discovering why all drug laws should be repealed.

I must hasten to add that this may not be the official position of the Institute of Public Affairs (remember, I just write for this publication—I am not an employee of the IPA). Indeed, that body and the Editor of this journal may find this view repugnant.

Nevertheless, if ever there were an issue demanding a reconsideration of public policy, the prohibition on certain drugs is surely one. After all, hundreds of Australians in the prime of their lives die each year under the current policy.

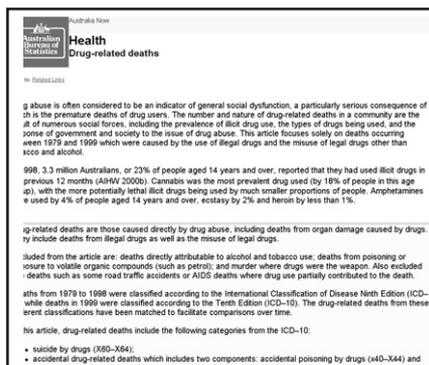
A final personal note: several months ago I briefly discussed the issue with the Executive Director of the Australian Christian Lobby <[www.acl.org.au](http://www.acl.org.au)>, a man with a proud and honourable career behind him, and a man who is eminently sensible on many issues. His response was a one-liner to the effect: 'Do you want your son to become a drug addict?'

My answer to him then, and to all who ask me, is a heart-felt 'No!' But the question is irrelevant. The drug prohibition policy will not prevent my son from becoming a drug addict. Nor will its abolition increase the chances of him doing so.

But if, despite everything, he became addicted, then under the current policy my son would have a much higher chance of becoming a *dead* drug addict. And that is what I would seek to avoid most of all.

### HOW MANY?

The Australian Bureau of Statistics maintains comprehensive figures on all kinds of aspects of Australian society, so it is no surprise that this includes figures on how many Australians die due to misuse of drugs. In 1999, opiates (for example, heroin and morphine)



were significant contributors to the accidental deaths of 699 Australian males and 178 Australian females. The great bulk of those deaths were of people aged between 15 and 50.

Between 1989 and 1999 the rate of accidental drug deaths doubled, from less than five per 100,000 to around 11 per 100,000

for males, and from around two to nearly four for females. Between 1979 and 1999 opiates' responsibility for accidental drug deaths increased from 31 per cent to 63 per cent. Go to:

[www.abs.gov.au](http://www.abs.gov.au)

Enter 'Drug-related deaths' into the search box at the bottom of the page then click the 'Go' button. On the resulting list of documents, click the one entitled 'Drug-related deaths'.

A heroin drought over the past couple of years has likely reduced the number of drug deaths since 1999. But recent reports suggest that this is easing, so it is likely that the pile of corpses will resume its growth.

### ON LIBERTY

Laws against drugs are pretty much an invention of the Twentieth Century. But consider this remark:

[T]he only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because, in the opinions of others, to do so would be wise, or even right. These are good reasons for remonstrating with him, or reasoning with him, or persuading him, or entreating him, but not for compelling him, or visiting him with any evil in case he do otherwise.... Over himself, over his own body and mind, the individual is sovereign.





This was published in 1869. Of course, it is an extract from John Stuart Mill's *On Liberty* (Chapter One). This passage should be the end of the argument. Heroin may be bad for me. Still, what right has anyone, other than those close to me and upon whose opinion I have chosen to place great weight, to tell me what I should or should not do to my own body and mind? Is it because by hurting myself I am hurting society? Am I owned by society? If so, then those who do equivalent harm to society through potential or actual harm to themselves (skydivers, footballers, gluttons) should be similarly restrained.

The odd thing is that while *On Liberty* is primarily a utilitarian treatise, Mill's argument here is essentially moral. Copies of this

ingly, it has conducted plenty of work on drug prohibition. The emphasis is on the US policies, but their reasoning is applicable to most Western nations, including Australia.

It is the illegality of drugs, rather than their inherent properties, that is the cause of the monstrous death toll. Quality control is minimal, heroin purity is variable (the greater the quantity making it into a market, the more pure the street product—the steady trend upwards in purity is a clear indication of increasing supply). There is another cost levied by the War on Drugs: the destruction of lives by grinding them up in the criminal justice system.

The Cato Institute points out that the cost of enforcement through a decade of alcohol prohibition came to less than \$US1 billion (in 1993 dollars). In the United States, the Federal Government alone spends \$US19 billion each year on drug prohibition, leading to 1.5 million drug arrests per year and a drug-related prison population of 400,000.

Go to:

[www.cato.org/current/drug-war/index.html](http://www.cato.org/current/drug-war/index.html)

### BLACK MARKET FALLOUT

Illegal markets have other effects besides poisoning their customers and having both merchants and consumers sent to gaol. They also make for robust competitive practices. When you hear figures about the appalling number of 'children' killed with firearms each year in the United States, it

is worth remembering that the overwhelming majority of those are members of inner-city gangs who are either defending, or trying to expand, their market share in the drug trade.



#### HOMICIDE RATES AND SUBSTANCE CONTROL POLICY

Kirby R. Cundiff

Independent Institute Working Paper Number 34

May 2001

The products of illegal markets are exceptionally expensive (since the selling price must cover unconventional importation routes, bribes, and premium profits to offset the risks), so they begot crime as addicts attempt to raise the money to feed their habits.

How much of an impact does prohibition have on, say, murder? In *Homicide Rates and Substance Control Policy*, a fascinating study published by the Independent Institute, it is revealed that out of several control variables, US murder rates are most closely linked to drug or alcohol prohibition enforcement policies. Go to:

[www.independent.org/tii/WorkingPapers/DrugWar.pdf](http://www.independent.org/tii/WorkingPapers/DrugWar.pdf)

### FEEDBACK

I would welcome advice from readers on any other sites of interest to *IPA Review* readers. E-mail me on [scdawson@bigpond.net.au](mailto:scdawson@bigpond.net.au).

The screenshot shows the Bartleby.com website interface. At the top, there are navigation tabs for 'Reference', 'Verse', 'Fiction', and 'Nonfiction'. Below the search bar, the page title is 'On Liberty' by John Stuart Mill. A small portrait of John Stuart Mill is visible. The text on the page describes the subject of the essay and provides a table of contents with three sections: I. Introductory, II. Of the Liberty of Thought and Discussion, and III. Of Individuality, as One of the Elements of Well-Being.

work are scattered all over the Web. A nicely formatted copy is available at:

[www.bartleby.com/130](http://www.bartleby.com/130)

### GO DIRECTLY TO GAOL

The Cato Institute, a very prominent pro-liberty think-tank in the United States, is always a valuable source of analysis on public policy issues. Not surpris-

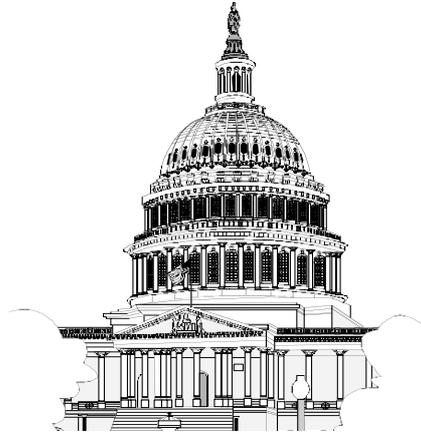
# Letter from America

NIGEL ASHFORD

## Enroning Capitalism

The collapse of Enron, the seventh largest company in America, is the biggest story in the US media after the war against terrorism. Unsurprisingly, critics of a capitalist society have tried to portray Enron, and especially its CEO Ken Lay, as the posterboy of a rampant, *laissez-faire* capitalism that needs to be regulated. They argue that more controls over companies are needed, that campaign finance reform is required to remove the influence of such companies, and that the privatization of the Social Security system would be dangerous. The real message of the Enron affair is the direct opposite: namely, that capitalism works.

Enron was not the free-wheeling, capitalist enterprise portrayed by the media. It sought to use political power to engineer the market in its favour, a classic example of what public choice economists call 'rent-seeking'. It tried to rig the so-called 'deregulation' of the energy markets by advocating the banning of electricity utilities from the generation market, price controls on access to transmission grids, and control of the electricity distribution systems by government officials. Rarely mentioned in the media is the fact that Enron was an active supporter (and thereby a quiet contributor to the Green movement) of the US's signing the Kyoto agreement on global warming, in order to cripple coal as a competitor. The Bush Administration wisely refused to sign the declaration that would have devastated the US economy. (See *IPA Review*, June 2001.) Enron was more successful in obtaining \$1.5 billion in subsidies for investments abroad from the Clinton Administration.



Congress is likely to pass campaign finance reform that would restrict soft-money donations to political parties and increase the amount of hard money that can be donated to candidates. (See *IPA Review*, March 2000.) Previous attempts to pass the legislation had only just failed. The perceived scandal of Enron was the decisive factor in getting the bill through the House this time. Yet the media failed to note that almost all Enron donations to campaigns were in the form of hard money, which was increased by current legislation, and not soft money, which will be banned. This law would have done nothing to have changed Enron's contributions strategy. The media has made great play of the money donated by Enron to Bush's political campaign. What has received less attention is that Enron failed to get the Bush Administration to act on its behalf when it was in trouble. It is a favourite ploy of the media to concentrate on the motives of political actors rather than the substance of issues. They can then avoid the more difficult task of explaining arguments to their readers or viewers.

Another theme has been to use the fate of those who had, and thus lost, much of their superannuation in Enron stock as evidence that the

privatization of Social Security would be dangerous. (See *IPA Review*, December 2001.) Senate Majority Leader Tom Daschle stated, 'I don't want to "Enron" the people of the United States. I don't want to see them holding the bag at the end of the day, just like Enron employees have held the bag'. He uses this to oppose the Presidential commission on Social Security recommendation that individuals should be allowed to invest part of their Social Security taxes in investment funds. The problem with Enron was that many employees had placed a very high percentage of their savings in Enron stocks, whose collapse left them with insufficient savings. The same would occur if the government Social Security system collapsed, as many predict. Privatized accounts, on the other hand, would be invested in highly diversified stocks or bonds. Savers would thus be protected from the Enron problem.

The story of Enron demonstrated not capitalism's flaws, but its strengths. Enron's problems led to media predictions of widespread energy shortages and massive price increases. In fact, the consumer has hardly noticed the impact. Competitors in the industry quickly moved in to replace Enron in the market. The result has been no energy shortages and no increase in energy prices. Once again the media has preferred to avoid the real story to concentrate on specious fears, which lead to bad policies. Once again the media has failed to carry out its function of providing informed and balanced debate.

*Dr Nigel Ashford teaches in the Institute of Humane Studies at George Mason University, and is co-author of US Politics Today (Manchester University Press).*

IPA

REVIEW

# The ABC: Unique Unto Itself

JOHN STYLES

**T**HE *Sydney Morning Herald* reported on 1 November last year that, following the announcement of Jonathan Shier's resignation, the champagne flowed in the taxpayer-funded Ultimo news room of ABC Radio National. You have to understand, as the friends of the ABC keep telling us, this isn't like a private-sector workplace. It's different. It's precious. It's, well, it's the ABC.

Whether that exuberance continues after the appointment of the next managing director remains to be seen.

Shier may not have eliminated left-wing bias at the ABC, but he recognized its existence and was trying to bring about change. According to a report in *The Australian* [22 February 2001], his quest to find a 'right-wing Phillip Adams' was spurred by the admission of some of his own staff that the national broadcaster lacked 'diversity of opinion'.

Of course, a 'right-wing Phillip Adams', or even two, did not and will not balance the overwhelming left-wing influence on news selection, analysis and commentary at the ABC. It is ingrained and inbred. It permeates every area of news and current affairs broadcasting.

The fact that some close to Shier inside the organization recognized the distorted nature of the news and current affairs coverage, and were even prepared to admit it, is one thing. Rooting it out of the place is something else. Shier's departure clearly showed that, despite all the hysterical propaganda about Howard Government appointees, reform does not have the numbers on the ABC Board.

The behaviour of the chairman, Donald McDonald, on the issue has been disappointing. While Shier was talking about eliminating political bias inside the ABC, Mr McDonald simul-

taneously challenged its existence. 'Give me the evidence—where's the significant lack of balance ...?' he was reported to have asked in an interview [*The Australian*, 22 February 2001]. What hope did Shier have?

The danger now is that the ABC staff and their supporters, having effectively destabilized and deposed Jonathan Shier, will, through the success of their campaign, tacitly influence the selection of the next MD. If the ABC Board placates them, and pragmatically selects someone from

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***If a managing director comes into the organization, like Jonathan Shier, wanting change, forget it.***

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inside Australian public broadcasting, the self-perpetuating nature of the ABC 'collective' will be confirmed.

Just a few hours after Shier's resignation was announced, former ABC deputy chair Di Gribble was on air in Melbourne. She provided an 'identikit' picture of her ideal ABC managing director.

According to Gribble, 'The ABC is not like a private corporation at all ... I don't really think that you can see the ABC in the same way as you see a commercial corporation'. A managing director, she said, would not be able to wield the same kinds of management tools as are used in private organizations. 'In a commercial company it's possible, for example to "incentivise" staff to achieve returns for shareholders ... That's really very

difficult in the ABC because the program makers or the people who generally work for the ABC are focused on things which are not easily measurable.' As if we did not know it!

The ABC's unbusinesslike environment, therefore, according to Gribble, seems to close the door on anyone with recognized business qualifications. 'I think anyone who came into the ABC with the kind of MBA kind of approach to management technique, a kind of manual, a kind of "management 1" sort of approach, would be absolutely at sea. All of the kind of books that "wannabe" managers would read about managing corporations or whatever, it's very different in public broadcasting.'

Another thing. The new MD should have 'a very broad, cultured mind'. And if a managing director comes into the organization, like Jonathan Shier, wanting change, forget it. '[T]he role of the employees of the ABC is different from the role of employees in another kind of company. They have, they bring a particular set of skills and there's a tremendous sense of ownership.'

That 'sense of ownership', call it 'staff capture', 'the ABC collective' or whatever you like, is precisely why the ABC needs a managing director who will continue the work which Jonathan Shier started.

If, following the shrill and unrelenting anti-Shier campaign, the Liberals resolve for ABC reform is at all faltering, those with influence should turn once again to the bottom of page 255 of Neal Blewett's *A Cabinet Diary* and re-read the Paul Keating quote from the entry for 2 November 1992: 'Anyhow, the ABC deserves a decent go, because it has done well by the ALP in the last two elections'.

*John Styles is a Melbourne-based media analyst.*

**I P A**

# Drugs: Surrender Is Not A Winning Strategy

BILL MUEHLENBERG

**J**OHN Hyde's article 'Drugs: Time for a Rethink' (*IPA Review*, September 2001), was followed immediately by an article entitled 'Surrender is not a Winning Strategy'. At first glance I assumed that this was a rejoinder to his piece, but it was not. The title is appropriate, however. I believe that Mr Hyde's reasoning offers a policy of surrender which will not help the drug problem.

Indeed, we don't use such a defeatist attitude in regard to many other social ills. Most governments do not argue that we must live with pollution, racism, or rape. In certain areas, we take exactly the opposite approach.

Consider the area of tobacco use. We tell young people to just say 'no'. We have 'Quit' campaigns. We place very high taxes on tobacco products. And what has been the result? Whereas 30 years ago over 60 per cent of the population smoked, today that figure has fallen to under 30 per cent. Harm prevention, in other words, works. Social trends are not irreversible. Problem social behaviours can be turned around.

Also, Mr Hyde's advice tackles drug problems from the wrong end. It asks us to manage the problem, instead of preventing the problem in the first place. But prevention is always better than cure. It is more cost-effective and more compassionate to keep people off drugs in the first place, than to try to get them off drugs. The old fence parable is appropriate here: Better to invest in a good fence at the top of a cliff than to invest in a fleet of ambulances at

the bottom of the cliff. Every dollar we spend on prevention and deterrence programmes will save hundreds of dollars on treatment programmes later on, as well as save many lives.

And if full legalization is achieved, it will increase the pool of drug users. By removing the penalties for usage, and by (in theory) reducing the costs, demand will increase. This is a simple function of supply and demand: make something easier and cheaper to obtain, and you increase the number of people who will try it. At the moment, there are millions of alcohol and tobacco users in Australia, but only thousands or tens of thousands of illicit drug users. The

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main reason for the difference in numbers is related to the legality or illegality of the drug.

Consider some recent figures. Five per cent of all Australians use marijuana on a weekly basis, compared to weekly alcohol users (66 per

cent). The former is illegal, while the latter is not. In America, there are 14,000 people killed a year by illicit drugs, but 500,000 killed a year by licit drugs. Moreover, in the US, marijuana use is down by 50 per cent, cocaine use is down by 79 per cent and alcohol use is down by 13 per cent—all because of the get-tough approach to drugs.

Milton Friedman favours drug legalization. He said several years ago, 'Legalizing drugs might increase the number of addicts, but it is not clear that it would. Forbidden fruit is attractive, particularly to the young.' But as James Q. Wilson pointed out, 'I suppose that we should expect no increase in Porsche sales if we cut the price by 95 per cent, no increase in whiskey sales if we cut the price by a comparable amount—because young people only want fast cars and strong liquor when they are "forbidden".'

We can learn from history here. After Europe imposed the opium trade on China in the mid-19th century, by 1900 there were an estimated 90 million opium addicts in the nation. When British physicians could write prescriptions for heroin in the 1960s, the nation's junkies increased 30- to 40-fold.

## LEGALIZATION MYTHS

Mr Hyde suggests that legalization will solve problems of crime, the black market, and so on. Let me examine some of the supposed advantages of such an approach:

**It will empty our prisons.** Critics claim that there are two million Americans languishing in prisons,

and if we would stop making drug use a criminal issue we would see an end to such appalling figures. What they do not tell us, however, is that while around two-thirds of these prisoners are in fact in gaol for drug-related offences, very few are in there merely for simple drug possession. Indeed, one study found that only two per cent of the American prison population were convicted of pure drug possession. Most were in for aggravated drug crimes, that is, crimes committed while on drugs (murder, armed robbery, theft, assault, child abuse, etc.) or crimes committed in order to obtain drugs. Moreover, the majority of these crimes took place under the influence of alcohol, and not illegal substances.

**It will put an end to the black market and reduce the crime rate.** This claim is often heard, but there are a number of problems with this argument.

First, the costs to society for drug use are far greater than any moneys saved on reduced law enforcement efforts. Consider the costs of drug legalization to society: lost productivity, increased medical services for addicts and their families, more highway accidents, etc. A recent study found that the annual cost of drugs to the Australian community is \$14.3 billion. Increase the number of drug users, as legalization will do, and you increase this figure as well.

Second, any 'sin taxes' raised by these legalized drugs will still not offset the costs to society mentioned above. Indeed, the taxation of legalized drugs will still drive people to crime. In order for governments to raise enough revenue from drug taxes to pay for all the costs of increased drug use, the taxes will have to be high. But the higher the tax, the more the demand for black market drugs, or the more crime resorted to pay for these higher priced drugs.

Third, the profit motive abounds in already legal operations. The alcohol and tobacco industries are

currently driven by hopes of large profits. If drugs were legalized, whole new industries would develop to cash in on the trade. Greed for gain does not disappear when an activity is legalized.

Fourth, black markets exist today for all kinds of legal products. Just because something is legal does not mean the black market will disappear. People will still want to beat taxes, escape government notice, or sell to minors, thus the demand for black markets will continue, even on legalized products.

Fifth, drug use contributes to crime. It is the illegal activities people engage in while on mind-altering drugs that is the real prob-

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**[O]nly two per cent of the American prison population were convicted of pure drug possession. Most were in for aggravated drug crimes, that is, crimes committed while on drugs**

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lem. It's not just that people do bad things to get drugs; drugs make them do bad things. Consider some statistics:

- A 1991 US Federal survey found that a majority of those arrested in 24 cities for robbery, assault, burglary and homicide tested positive for drugs.
- A 1994 study of 31,000 abused and neglected children in Cook County, Illinois, found that more than 80 per cent of the cases involved drugs.
- In New York in 1987, 73 per cent

of child abuse cases involved parental drug abuse.

- A 1992 study of NSW inmates found that 67 per cent of prisoners had been on drugs while committing the crime they were imprisoned for.
- A 2000 study of Australian detainees found that a large percentage had tested positive for drug use. For example, 70 per cent of adult male detainees charged with violence tested positive to any drug, and 86 per cent of adult male detainees on property charges tested positive to any drug.

Also, cheaper drugs do not necessarily mean less crime. When inexpensive crack cocaine flooded America in the early 1980s, the rate of addiction soared, as did crime rates. Indeed, police noted that wherever drugs were the cheapest, crime rates were the highest. And when Britain gave out heroin to addicts in the 1960s, a very large proportion remained involved in crime.

**Prohibition has never worked.** Critics often argue that prohibition has never worked. But the facts speak otherwise. During Prohibition in America, consumption of alcohol declined substantially, as did the cirrhosis death rate for men (cut by two-thirds between 1911 and 1929), and arrests for public drunkenness dropped 50 per cent between 1919 and 1922. When Muslim societies removed restrictions on hashish in the 15th Century, it resulted in a large number of people from all walks of life being in a constant state of intoxication.

The truth is, the 'get tough' approach to drugs has been fairly successful. It may not be a panacea, but it does not seem to be competing against any other better proposals.

*Bill Muehlenberg is National Secretary of the Australian Family Association*

**I P A**

## Summaries and excerpts from interesting reports

### TORT LAWYERS DISCOVER GOLD IN MOULD

For lawyers, household mould could be the next asbestos. Some 10,000 suits naming contractors and insurers are building up in US courts. The common theme is that mould in homes is making their clients sick—causing everything from headaches and dizziness to neurological damage.

- Mould is the visible growth of any of 100,000 species of fungus.
- While certain types of mould contain a mycotoxin that can be fatal, such cases are extremely rare.
- The Center for Disease Control and Prevention has recanted an earlier report that implicated a type of mould in the bleeding lungs of eight Cleveland infants—admitting that the study used unorthodox collection techniques and was flawed—and now says that mould can cause allergic reactions, such as watery noses.
- It also states that there is no proven link between mould and illnesses.

But the legal damage has already been done. Mould litigation has spread across the country. School districts in Illinois and Ohio have been hit by suits from students claiming health problems. A Texas jury awarded \$32.1 million to a Dallas executive—although the insurance company involved is appealing.

Insurers estimate that they paid out \$670 million for mould-related property damage in Texas alone in 2001—more than double the total in 1999.

**Source:** Mary Ellen Egan, 'The Fungus that Ate Sacramento', *Forbes*, 21 January 2001.

### FAVOURABLE EFFECTS OF IMPRISONING DRUG OFFENDERS

The number of Americans incarcerated on drug-related offences rose 15-fold between 1980 and 2000, to its current level of 400,000. Despite this enormous increase, there has been no systematic, empirical analysis until now of the implications of the new, tougher drug laws for public safety, drug markets, and public policy.

In 'An Empirical Analysis of Imprisoning Drug Offenders' <<http://papers.nber.org/papers/W8489>>, authors Ilyana Kuziemko and Steven Levitt find that the increase in the prison population on drug-related offences led to reductions in time served for other crimes, especially for less serious offences. This phenomenon is primarily attributable to the limited space available at penal institutions. However, despite this reduction in time served, other crimes did not increase more than a few per cent.

The authors also find that incarcerating drug offenders was almost as effective in reducing violent and property crime as was incarcerating other types of offenders. Furthermore, as a consequence of increases in punishments for drug-related crimes, cocaine prices are 10–15 per cent higher today than they were in 1985. This jump in price implies that cocaine consumption fell, perhaps by as much as 20 per cent.

The reduction in cocaine use begins to address the long-standing question of whether the enormous costs related to tougher punishment for drug offences yield similarly large benefits to society. Previous studies suggest that the costs of current levels of incarceration across all crime categories far exceed societal benefits. However, in the case of drug offenders, the authors find that the cost-

benefit calculations might be more favourable, because incarceration not only lowers crime, but also drug consumption. Annual expenditures of approximately \$10 billion on drug incarceration almost pay for themselves through reductions in health care costs and lost productivity attributable to illegal drug use, even ignoring any crime reductions associated with such incarceration.

The authors stress that their figures are speculative and may not include other relevant costs and benefits. They also do not explore other, potentially more effective ways of reducing drug usage rather than incarceration.

**Source:** (Les Picker), *NBER Digest*, January 2002, National Bureau of Economic Research.

### USING DUYONGS AS A WEAPON TO STIFLE GROWTH

The Florida manatee (or duyong), the slow-moving, weed-munching, underwater mammal, is listed as an endangered species. It has been co-opted as a tool of anti-growth advocates—whom critics say are less concerned with the animals' welfare than with restricting development.

For instance, Patrick Rose, a lobbyist for the Save the Manatee Club, calls manatees 'the best, most effective growth-management tool that exists'. Here's how it works:

- Of the 325 Florida manatees that died last year, 81 are believed to have been killed in collisions with power boats.
- So the state has blocked construction of new marinas until counties adopt manatee-protection plans—which require lengthy studies of the effects of waterside development on the mammals.

- Builders and boaters contend that biologists have put off studies that could show that manatees are thriving and that more restrictions are not needed.
- The annual state aerial survey counted 3,261 manatees in 2001—up from 2,222 in 2000.

While it is true that watercraft-related manatee deaths have been increasing in the last several decades, boaters attribute that to growth in the state's manatee populations.

Last year, the US Fish and Wildlife Services proposed to charge \$546 for each new boat slip to pay for added local manatee speed patrols. But the plan was withdrawn after it was opposed by Florida Governor Jeb Bush.

Some observers are disgusted that the welfare of the manatees has been lost in the anti-growth debate. In one instance, the Save the Manatee Club abandoned its opposition to a development project after the developer offered to contribute \$200,000 to the organization.

**Source:** Andrew C. Revkin, 'How Endangered a Species?', *New York Times*, 12 February 2002.

## CORRUPTION AND CURRENCY CRISES LINKED

Rampant public corruption in emerging market countries may contribute to the currency crises that have racked the developing world, because corruption acts to repel more stable forms of foreign investment and leaves countries dependent on volatile foreign loans to finance growth.

Researchers Shang-Jin Wei and Yi Wu make the following case:

- The most dependable kind of foreign investors—those disposed to long-term commitments to projects and businesses—often refuse to put their money in developing

countries where, for example, local bureaucrats expect bribes and the national government arbitrarily preys on business enterprises.

- Those countries still need foreign capital, and while they may be undesirable for foreign direct investment (FDI), they may not be equally disadvantaged when it comes to obtaining bank loans from international creditors.
- One reason loans are easy to procure even when corruption is widespread is that the International Monetary Fund and governments of developed nations offer considerably more insurance and protections to lenders than to direct investors.
- The result is an investment portfolio heavily skewed toward loans, and given how foreign lenders are known to flee at the first sign of trouble—while those directly invested in an enterprise tend to sit tight—such an imbalance leaves an economy much more vulnerable to a currency crisis.

Wei and Wu argue that, by discouraging stable flows of investment capital, corruption—whose measure they derive from international surveys—can be viewed as a sort of corporate tax on assets. For example, they conclude that '... an increase in corruption from the level of Singapore to that of Mexico would have the same negative effect on ... foreign investment as raising the marginal corporate tax by 50 percentage points'.

**Source:** Matthew Davis, 'How Corruption Causes Currency Crises', *NBER Digest*, August 2001; based on Shang-Jin Wei and Yi Wu, 'Negative Alchemy? Corruption, Composition of Capital Flows, and Currency Crises', NBER Working Paper No. 8187, March 2001, National Bureau of Economic Research.

## NO LONGER UNTHINKABLE: PAYMENTS FOR HUMAN ORGANS

It has taken a major shortage of organs for transplants, but the medical community is no longer so shocked that it refuses to consider paying for them.

- Some 79,000 Americans are awaiting transplants—and 5,500 who are on waiting lists die each year.
- So a committee of the American Medical Association has been designing a pilot programme to test the effects of various motivators—including payments for cadaveric organ donations.
- The committee is already convinced that any moral concerns are outweighed by the needs of patients.
- Meanwhile, an advisory committee at the Department of Health and Human Services is discussing ways to alleviate the organ shortage—including lifting the ban on cadaveric and live donors.

The American Society of Transplant Surgeons has already endorsed payment for cadaveric organs to families who consent to donate them when a relative dies.

The practice would be ethical if 'understood as a thank you' and 'not a bribe', says Francis Delmonico, a professor of surgery at Harvard Medical School. He says that sums of \$300 to \$3,000 have been discussed.

Observers say that if the AMA endorses a programme that would offer donors or their families small rewards, Congress would probably go along with it.

**Source:** Barbara Carton, 'Doctors, US Government Move Closer to Backing Payment When Organs Are Donated', *Wall Street Journal*, 14 February 2002.

**I P A**

# Book Review

## The Ultimate Insider

Don D'Cruz reviews

### ***Bias: A CBS Insider Exposes How the Media Distort the News***

by Bernard Goldberg

New York, Regency, 2002, 232 pages

*Bias* was released in the United States amid considerable controversy and fanfare. After years of railing against what US conservatives saw as the media's liberal bias, one of America's liberal media élite finally confirmed most of their charges.

Reading Goldberg's book it is easy to see why it has made such an impact. Goldberg is not a Rush Limbaugh. All too often, even the best critiques of the media on the question of bias have been easily dismissed by the media simply by pointing to the background or ideology of the author. Another common tactic has been simply to say that it is in the eye of the beholder.

*Bias* makes this task far more difficult because Bernard Goldberg is *one of them*. Not only that, but as the winner of seven Emmy Awards and a journalist with almost 30 years' experience as a reporter and producer for CBS News, Goldberg is the ultimate insider.

He is at pains to point out that his book is not an attack on liberal values, many of which Goldberg personally espouses; rather, it is an attack on liberal bias which he sees as endemic within the news media.

Goldberg takes aim at what he sees as the corruption of straight news reporting on television by an arrogant, insular media élite which shares similar liberal values, with little time or inclination for introspection and certainly no time for criticism. It is a portrait of a medium that proclaims its love

of diversity (whether it is on the basis of race, religion, gender or sexual orientation), but not diversity of opinion. There are times when Australian readers might imagine that they are reading about parts of our media.

As an insider, his revelations are not as easy for America's media élite to dismiss; although the American media did make a reasonable attempt at it.

Goldberg is simple and fairly old-fashioned in his belief that journalism should be about balance and presenting all the facts, not just the ones that you think will help your argument, or those which you think the public is too

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unsophisticated to digest or about which it may become confused.

*Bias* became a book after Goldberg wrote an op-ed piece in the *Wall Street Journal* in 1996, methodically dissecting a piece on a so-called CBS News Reality Check on Republican presidential candidate Steve Forbes' flat tax proposal. Frustrated by years of having his misgivings ignored by colleagues, he went public. It was a devastating critique, both for CBS and for Goldberg personally.

An intriguing and disturbing part of the book is Goldberg's account of how his colleagues reacted to his voicing his concerns over bias publicly. His treatment by his colleagues, many of whom had known him for almost 30

years, is fascinating given his supposed transgression—speaking out. It would appear that the media love whistleblowers, except when the whistle being blown is on their own profession.

Goldberg's treatment for blowing the whistle at CBS is all the more fascinating when one realizes that it was CBS which introduced the concept of the corporate 'whistleblower'.

Given that the media are often the most vocal defenders of free speech, the attempts by his networks and colleagues to muzzle him reeks of grotesque hypocrisy.

*Bias* maybe written for an American audience, but many of Goldberg's criticisms and observations are eerily prescient concerning the Australian media. When he writes that 'big-time TV journalism' has become 'a showcase for smart-ass reporters with attitudes, reporters who don't even pretend to hide their disdain for certain people and certain ideas that they and their sophisticated friends don't particularly like' (page 15), Goldberg could quite easily be writing about sections of the media in Australia.

*Bias* is an enjoyable and engaging book, often extremely amusing. His personal portraits of senior American journalists will amuse anyone familiar with their names. But it is also a searing indictment of the profession of journalism at times, which leaves one profoundly depressed.

Still, the fact that we have Goldberg's book should be seen as a source of hope. We can only hope that an insider of similar credentials at the ABC has a similar outbreak of conscience and pens an Australian equivalent.

If you're interested in the media, *Bias* is one book that it is worthy of your attention.

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