

Country Towns

JOHN HYDE

The problem for declining small country towns are growing bigger towns. Consumer preference, armed with better cars and better roads, is the real 'villain' of the piece.

NOT all country towns are in decline. If growth is success, then I grew up in one that is prospering. Nevertheless, the baker, the cordial factory which was on the site of the smithy, the saddler, the tailor, the power house, the post office, the manual telephone exchange, the branch of a bank, three corner shops (except they were not on corners) and, most recently, the pharmacy, have all gone. The passing of each was marked by eulogies in both bars of the hotel and, more recently, the club. Like most eulogies, these tended to hyperbole and were delivered by people who had barely associated with the deceased. They stressed the tragic nature of market forces that would surely infect the whole town, but avoided admission that the businesses had died of starvation because they themselves had, for instance, purchased their lolly-water from a Perth supplier.

Market forces don't take into account the contribution that each local business makes to the community and somebody should do something about them, they said. The businesses did have positive spillover effects—the Bank of New South Wales, later Westpac, for instance, had, for reasons unfathomable to man, traditionally provided the Golf and Bowling Club treasurer, and the manual exchange had, for understandable reasons, provided several local wives. The businesses also had negative spillover effects—such as higher interest rates for borrowers every-

where—but these were inappropriate to mention *post mortem*.

For all the enterprises that have left, however, another has come and the incoming machine shops, agencies and general stores are much bigger, so the town is about three times the size it was in my childhood. Not all country towns are so fortunate. My daughter married eight miles down the road to Perth. Her town, once as large, has shrunk to a good general store, a not very salubrious hotel and about a dozen residences. No new building is likely—ever. What killed it? In a phrase, the motor car.

My wife Helen was born to another virtual ghost town. It too is suffering from market forces—the cost of recovering the local gold exceeding its price. Another bout of uncontrolled world-wide inflation might, however, breathe life into *that* town.

As sometimes happens, the mourners and moaners of the nation's rural pubs seem to have convinced the powers-that-be that something should be done to preserve these declining 'communities'. If adequately policed, banning motor cars would help some centres, but there is nothing acceptable that can or should reverse such fundamental and rational trends. One of the silliest suggestions to come out of Federal politics in several years has been the Opposition's promise to subsidize the major banks to restore branches to some 400 rural towns. Will the Westpac branch be restored in my old town, or my daughter's, both or neither? The cost will, of course, have to met by taxes or higher bank margins and fees. The effect could be achieved in a manner that was arguably more equitable by imposing a tax on (country) people who use the banks' city-based facilities.

The several causes of the declining rural towns are not, however, all to be laid at the

feet of the market. Some are the government's doing. Several rural centres have no doctor because overseas-trained doctors are denied what are euphemistically called 'provider numbers'. By fixing the price of prescription drugs, the government has driven out low-turnover pharmacies even when the next one is 60 miles away. Award wage rates fixed in the cities, where shelter costs are higher but transport costs are lower, decrease rural employment proportionately more than they do city employment.

By imposing a 15 per cent tariff on motor cars, which also has the effect of ensuring a higher equilibrium exchange rate, the government much weakens the industries upon which most rural towns depend. On the other hand, expensive cars raise the cost of going to the city to shop. Textile tariffs also drive up the exchange rate, and it is hard to see how expensive clothes and bed-sheets help rural communities.

The monopolies exercised by Statutory Marketing Authorities are even more difficult to evaluate. There can be no doubt that attempts by the old Australian Wool Corporation to levitate the wool price have, by harming a once great rural industry, added to decline of rural towns. It is probable that the Wheat Board's export monopoly inhibits niche marketing and the development of bulking-up and part-processing specialities which would be most likely to locate locally. Monopoly pricing arrangements that permit rural industries to charge higher prices to city consumers have, however, probably made the bush more populous. The objection to all monopoly and price-setting arrangements lies not in their distributional effects, irrational and unfair as these may be, but in the fact that, when viewed with the advantage of all Australians in mind, they are grossly inefficient—the costs exceed the gains.

It is also hard, without access to an economic model, to evaluate the net effect of government intervention in the provision of services. Undoubtedly, rural people were greatly disadvantaged by anti-competitive arrangements either enforced, or allowed, by the government



in grain-handling and air, sea and rail transport. The recent win on points for the Maritime Union of Australia notwithstanding, the good news is that our governments seem to have woken up to the harm they do. Postal and electronic media services are, however, skewed in favour of country folk. Telecommunication services certainly have favoured some rural folk—those out of town—but expensive trunk calls seem to have borne the cost. It is easy to see which rural people most influence governments but, whether all or half of Telstra is privatized, those days are rapidly coming to an end.

Finally, native title uncertainties undoubtedly affect the country more than the city. Some rural towns are short of unclaimed land for new local industry. Environmental regulations are particularly severe on agriculture and mining, and are too often irrational.

The Government should ignore those demands from the bush that call for subsidies and privileges but there are some things it might do that would benefit rural communities without harming the Australian community as a whole:

- the health-care anomalies should be removed in short order;
- the process of tariff reduction and service de-regulation—the Hilmer reforms—should be speeded up considerably. Because rural industries tend to be export industries, the benefits will tend to concentrate in the bush;
- authority over local environmental concerns should be transferred to local government; and
- the labour market should be deregulated.

These changes will be no panacea, and one should not be sought. Unforced changes are generally for the best and that country people should choose to patronize larger centres is not a problem to be solved.



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'Out of the Mouths of Babes and Sucklings'

ANDREW McINTYRE

Suppose someone asked journalists themselves about the biases of media outlets? Well, someone has. And the results are interesting and revealing.

THE issue of political bias in the media is a perennial topic, raised with more-or-less fervor around election time, during critical policy debates—such as Aboriginal land rights after the High Court Mabo decision—and during difficult confrontations—like the recent waterfront dispute.

The common threads are familiar and the *IPA Review* has, from time to time, provided commentary about some of the issues of bias. In the most recent *Review*, Piers Akerman, drawing on research by Professor John Henningham of Queensland University, observed that journalists tended strongly to favour topics 'in tune with the politically-correct social justice agenda', and that the Canberra press gallery was even worse, displaying a 'palpable air of animosity toward the Coalition'.

A compounding problem in a discussion on bias is the collective ill-ease experienced by our most influential journalists of any scrutiny of their own political interests or party affiliations. Back in 1989, the *Review* brought attention to this sensitivity in an investigation by Gerard Henderson of the Canberra 'rat pack'. Henderson was struck by the fact that journalists never showed qualms about investigating the 'vested interests' of Ministers, for example, but shocked to the point of paranoia that they could come under the same scrutiny.

Consequently, any discussion of bias in public debate is loaded with acrimony and defensiveness, and most of all from 'your' ABC. With the ABC there are very long and repetitive head-

line stories concerning its management and its independence from government going back to its inception in the early 1930s. In 1938, Archie Cameron, a cantankerous farmer who became Postmaster-General with responsibility for the ABC, was blunt: 'If I had my way, I would stop all broadcasting. As for people who give talks and commentaries over the air... I would bring them under the Vermin Act... and poison them.' Views with which the present Minister for Communications may have some sympathy! There is, however, a perception that the present Prime Minister and his staff are intimidated and somehow under the thrall of a press that shows nothing but contempt for them, or at best, that the former lack the rhetoric and skills to challenge the press at its own game. In 1989, Henderson had already been 'genuinely surprised to see many senior Coalition figures race for the newspapers or turn on their radios and televisions to await with bated breath for this or that comment from leading gallery figures'.

Nevertheless, it is clear that journalists in general have a great sensitivity to criticism. After the waterfront dispute, amongst accusations of bias, the ABC went to the trouble to commission a report from Professor Phillip Bell of the University of NSW. This had followed on the heels of previous research, including an independent study of ABC News and Current Affairs in Queensland conducted by Professor Graeme Turner of Griffith University in late 1996, and research into audience perceptions of balance as part

of a TV quality survey conducted by A.C. Neilsen in 1997.

Predictably, all of these surveys showed the ABC to be 'balanced and even-handed', and 'reliable and accurate'. On the waterfront dispute, the Bell Report concluded that 'the producers and journalists gave a balanced coverage of the events and issues'. What should be done, given the complexity of the issues, and the difficulties of proving the bias?

Clearly, the simplest and most transparent technique would be to ask a sample of people two straightforward questions: do you believe the ABC news and current affairs programmes are neutral or biased? and, for which of the two major parties do you most often vote? In the answers to these two questions one would have the most eloquent *quod erat demonstrandum* possible.

John Henningham, Professor of Media Studies at the University of Queensland, has almost done just that in two separate studies. In one, 'Journalists' perception of bias' (*Australian Journalism Review*, Vol. 17, No. 2, (1995)), 173 randomly selected journalists from media organizations across Australia rated the major newspapers and television news and current affairs programmes as being 'very' or 'slightly' Labor or Liberal, or middle of the road. The judgement was restricted to news and feature content only. The relative ranking of the various programmes and outlets (from Labor through to Liberal) was unremarkable, the only sticking point being where they actually belonged in relation to a 'real' middle of the road. The survey result had, for instance, rated the *Sydney Morning Herald* and the *Australian* as being on the Liberal side of centre.

What strikes the outside observer is that the journalists themselves clearly rate the ABC as pro-Labor, indeed as the most pro-Labor of the major media outlets—the *7.30 Report*, *ABC News* and *Four Corners* being rated the most pro-Labor, followed by *SBS News* and the *Age*, which was seen as the most pro-Labor of the privately-owned media.

What is also interesting is that the further away from the Canberra-Melbourne-Sydney 'Triangle' one gets (remembering that 'national' media outlets such as the *Australian*, the *Financial Review* and TV news are essentially run out of Sydney), the less pro-Labor and the more pro-Liberal media tends to become, again according to journalists themselves.

Henningham conducted a second but unrelated survey, 'Ideological Differences between Australian Journalists and Their Public', (*Harvard International Journal of Press/Politics*, 3 (1)), of 173 journalists and 262 members of the public in metropolitan Australia. Forty-seven social and economic issues were used to test the participants' conservatism or liberalism. Not surprisingly, there was an enormous difference between the views of journalists and those of the general public, with journalists consistently having more 'progressive' views than the general public. (A summary of those findings appeared in Piers Akerman's article in the last issue of *IPA Review* and also appears in this issue in 'Moral Greed and the Politics of Insult' by Michael Warby.)

In an attempt to establish notionally just where the media might lie on our political spectrum, I have combined the results from the two Henningham studies. There are some caveats however. In Henningham's list of social and economic items it is clear that there is considerable convergence of views on economic issues, with a greater divergence of views of on industrial relations, welfare and, say, sexual freedoms. Some items are more central to a reasonable assessment of media content or bias affecting Labor and Liberal interests than others. For example, attitudes to trade

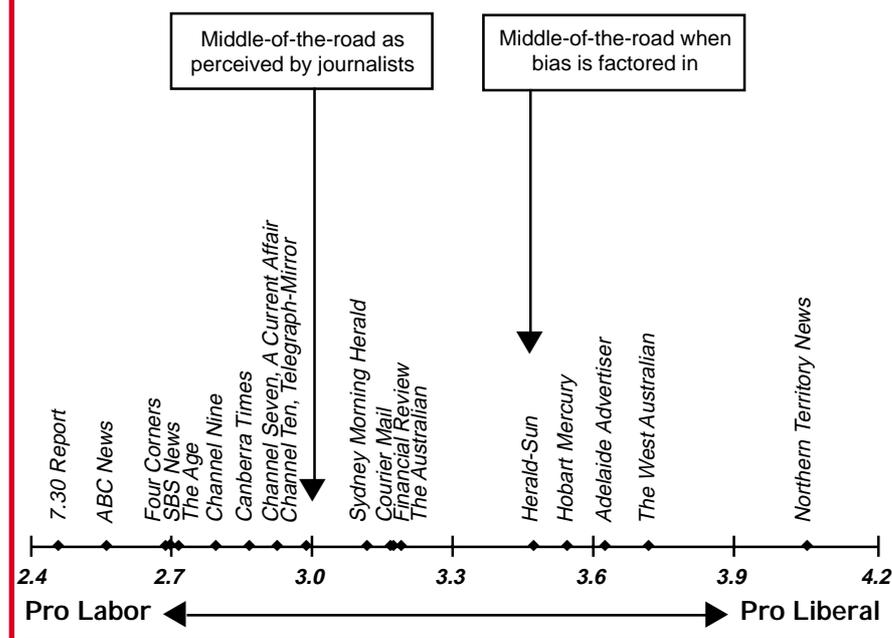
unions and strikes would far out-weigh the divergent views on bible truth, or premarital virginity. Bearing this in mind, I have selected ten items that I believe have relative importance in the issues currently dominating the national debate (*table one*).

Table One: The percentage point divergence between journalists' and the general public's positive rankings for a range of issues critical to both Labor and Liberal policy platforms ranked in order of divergence (selected from Henningham study)

Public spending cuts	1%
Privatization	2%
Free enterprise	6%
Multiculturalism	7%
Conservationists	11%
Government welfare	13%
Strikes	26%
Australia as a republic	29%
Mabo and land rights	34%
Trade unions	37%
Average difference	15.7%

The present exercise might be accused of comparing pears with apples. What is being launched here is a suggestive analysis of media bias. *IPA Review* readers are invited to mark their own 'middle-of-the-road' point!

Table Two: Journalists' ranking of media bias towards Labor and Liberal using data from Henningham studies



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