

Inside This Issue

Volume 56 • Number 2 • June 2004

ARTICLES & REGULAR FEATURES

2 [Editorial](#)

It is one thing for Greenpeace to tell (their usual) porkies about GM foods; it is another for a gullible media to peddle the same line. **Mike Nahan**

3 [Political Science: Green Blackmail and the Victorian Government](#)

The recent four-year extension of the moratorium on GM foods has little to do with science but owes a lot more to a coalition of vested interests, political mates in high places and a touch of 'greenmail'. **Graeme O'Neill**

7 [Bolt On Bolt](#)

Australia's most influential conservative journalist discusses his background and his views on a range of important issues. **Andrew McIntyre**

10 [Environmentalism and the Integrity of Science](#)

Environmental fundamentalism brooks no dissent and has scant regard for evidence. How, then, are we to untangle real science from green advocacy when scientists conflate the two? **Jennifer Marohasy**

12 [Green Charities and Partisan Political Campaigning](#)

The Wilderness Society and other environmental groups are increasingly hiding behind their charity status in the pursuit of overt political objectives. This is undermining charities and democracy. **Gary Johns and Don D'Cruz**

14 [The Strange Return of the IR Club](#)

IR policy is not just failing Australians, it is going backwards. This report shows why and proposes reforms that will help us compete in an increasingly global environment. **IPA Work Reform Unit**

18 [The Bitter Pilger: Declining Credibility in Australia?](#)

Why is it that the conspiracy-ridden, anti-American ramblings of a disgraced propagandist still find their way on to mainstream TV in Australia? **Ted Lapkin**

21 [Capitalism, Markets and Morality](#)

Markets may not be much concerned with morality, but that is no reason to suggest that their defenders are amoral or that there is not significant interplay between capitalist societies and moral values. **Hal GP Colebatch**

24 [Sex and the Primary School Teacher](#)

Is the shortage of male teachers at primary school level really a problem? And if it is, are scholarships for men the best policy response we can offer? **Andrew McIntyre**

26 [The 'R' Files](#)

Economic history is clear: if we want sustained economic growth, then we must conduct a periodic 'bonfire of the regulations'. **Alan Moran**

28 [Education Agenda](#)

Whatever teachers unions and some academics might say about formal assessment, parents still clamour for fair and honest assessment of their children. **Kevin Donnelly**

30 [Free Enterprise.com](#)

How many people are there on the planet? Is the 'population bomb' still a threat? Internet resources for answering these and other population questions. **Stephen Dawson**

32 [Around the Tanks](#)

News from think-tanks around the world, courtesy of the Heritage Foundation's *The Insider* newsletter.

34 [Letter from London](#)

The Home Secretary may be keen on it, but the ID card proposal has yet to meet some serious political and technological challenges. **John Nurick**

35 [Strange Times](#)

The weird, the wacky and the wonderful from around the world. **Compiled by IPA staff and columnists**

36 [What's A Job?](#)

Let's be under no illusions about the 'morality' of those who perpetrate brand-mail attacks on well-known business names. It's simply a business strategy! **Ken Phillips**

SPECIAL INSERT

[Iraq: The Importance of Seeing it Through](#)

Hon. John Howard, MP

An edited version of the Prime Minister's address to the Annual CD Kemp Lecture in Melbourne in May 2004.

BOOK REVIEWS

- 37 Gary Johns reviews [A Tradition of Giving: Seventy-Five Years of Myer Family Philanthropy](#) by Michael Liffman; Donald J. Boudreaux reviews [Skepticism And Freedom: A Modern Case for Classical Liberalism](#) by Richard A. Epstein.

REVIEW

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From the Editor

MIKE NAHAN

GREENPEACE AND AN UNQUESTIONING MEDIA

In a mass act of technophobia, five Australian States recently banned the use of new genetically modified (GM) crops.

They did so in the face of overwhelming evidence that existing GM crops lower farm costs, reduce environmental impacts, impose no health risk and do not undermine market access or crop prices.

Why would otherwise sensible Labor Governments—officially committed to protecting the environment, promoting biotechnology and supporting farmers—commit such a destructive act, and do so in full knowledge of its implications?

More importantly, why would so many Australian farmers and their representatives, who have traditionally been world leaders in adopting technology, support these decisions?

The decision of the Victorian Government to impose a four-year moratorium on all GM crops is explored by Graeme O'Neill ('Political Science: Green Blackmail and the Victorian Government', pages 3–6).

Amongst other things, Mr O'Neill highlights the role of Greenpeace. Greenpeace's anti-biotechnology campaign, however, would have failed without the active assistance of the media. The media gave a mostly uncritical airing of every nuance of Greenpeace's anti-GM campaign. Even when it became clear that Greenpeace lied to them and therefore to their audiences, the media maintained the faith—rarely critical and always eager to promote the next Greenpeace message.

The Australian Broadcasting Commission played a leading role in the biotechnology debate. It gave the issue extensive coverage to its largely rural audience. While the ABC dealt



with the issue better than other media outlets, it nonetheless allowed itself to become a propaganda arm of Greenpeace.

The Percy Schmeiser scandal illustrates the media's role. Schmeiser was a Canadian canola farmer, sued in 1998 by Monsanto for growing Monsanto's GM canola without a licence. Mr Schmeiser's defence, as reported by the ABC, was that the seeds blew from neighbour's property or from passing trucks without his knowledge. He claimed that he was a hapless victim whose rights were being challenged by a big multinational.

The evidence tabled in the ensuing court cases exposed Schmeiser's claims as absurd. He had grown GM canola the previous year and saved part of the crop for seed. Monsanto was informed and warned him not to re-plant the seed. Instead, he went ahead and planted his entire 1,000 acre holding with GM canola—hardly the act of an anti-GM advocate.

This did not deter Greenpeace. It adopted Schmeiser as its GM victim, funded his legal actions and took him on a 'Seeds of Doubt' world tour, which included two visits to Australia.

The ABC ran the Greenpeace line, describing the Schmeiser case as a 'classic story of David versus Goliath'. It did this despite warnings from scientists at Melbourne University.

It did it even after the Canadian courts found Schmeiser guilty of stealing and knowingly growing GM canola; even after Schmeiser dropped the claim of being a helpless victim in his appeal to the Canadian Supreme Court (an appeal he lost). Greenpeace maintained the victim line and the media ran it.

The Schmeiser story had resonance. It played on farmers' fears of contagion and loss of rights. It was cited in the South Australian Parliament as justification for that State's moratorium. The fact that the story was a fraud has never been adequately exposed and, accordingly, the farming community and politicians have been seriously misled.

Despite Greenpeace's involvement in the Schmeiser fraud, the ABC continues to use Greenpeace as a reliable source on GM. Indeed, it is now busily running Greenpeace's latest anti-GM campaign against Ingham chickens—again full of misinformation. A few months ago, Greenpeace's campaign to stop farm trials of GM canola was based on the need to stop the *first food crop* from being introduced to our food chain. This was always an absurd claim as tonnes of cotton seed oil derived from locally grown GM cotton have been consumed for years. The media not only promoted the first food crop lie, but is now busily parroting Greenpeace's latest line that GM food is rampant throughout the food chain. Both stories can't be true!

On GM issues, the media has seriously misled the Australian public. It presents blatant lies as scientific facts and gives propagandists the status of experts. It is perhaps little wonder that erstwhile progressive politicians and farmers have become frightened technophobes.

I P A

REVIEW

Political Science

Green Blackmail and the Victorian Government

GRAEME O'NEILL

ALMOST two months ago, the Victorian Labor Government stunned the State's biotechnology industry by imposing a four-year, legislated moratorium on genetically modified (GM) canola cropping.

The industry had expected a May 2003 voluntary moratorium to be lifted—if not completely, then at least to allow Monsanto and Bayer CropScience to conduct a large-scale commercial coexistence trial. The reasons for the moratorium, detailed in a March 25 joint press release from Premier Steve Bracks and Agriculture Minister Bob Cameron, make little sense when ranged against what Victoria now stands to lose—and what it stood to gain by lifting the 2003 voluntary moratorium.

A pro-GM decision was critical to the Government's ambition to establish Victoria as one of the world's top five centres for biotechnology research and business by 2010. The Government would have won kudos in the research and business communities for standing up to the anti-GM movement, at a time when the State governments of NSW, SA, WA, Tasmania and the ACT Legislative Assembly had all taken the easy option in the face of misinformation, scaremongering and political pressure.

GM ADVANTAGE

A pro-GM decision would have also cemented the State's long-established leadership in the biotech sector, and sent a powerful message to others that it was serious about the industry. And more tangibly, it would have put money into the pockets of

struggling Victorian grain farmers and rural communities.

It would have benefited the environment, by replacing an inefficient and obsolescent technology—triazine-tolerant canolas—and triazine herbicides, now banned in Europe and the UK on environmental grounds. It would have given farmers new, higher-yielding varieties that rely on two manifestly safer and more environmentally benign herbicides—glyphosate and glufosinate ammonium.

Canola farmers would have benefited from the resulting disease break, and been able to practice conservation tillage, to reduce wind erosion of Australia's notoriously infertile and fragile soils. Science and economics were on the Victorian Government's side. And it had the testimony of Canadian farmers, and the judgement of the Office of the Gene Technology Regulator, to counter the anti-GM movement's claims that GM canola posed unacceptable threats to human health and the environment. Canadian farmers have grown GMHT canola for nine years, without the dire health or environmental problems predicted by the anti-GM movement. Significantly, Canada is the world's second largest wheat exporter, yet encounters no segregation or marketing problems.

Finally, the Government had authoritative reports from the two independent consultants it appointed itself, both of which found that GM canola posed no serious threat to the State's lucrative agricultural exports. In May last year, the Government led Monsanto and Bayer Crop-

Science—and Victoria's canola farmers—to believe it was prepared to resist the voices of unreason. Its moderate approach—a 12-month, voluntary halt on commercial trials—was in sharp contrast to the multi-year, legislated bans announced by other canola-growing States.

Against that background, the Government's March 2004 announcement of a four-year, legislated ban—not only on GM canola, but all GM crops—amounted to an abject capitulation to the anti-GM movement. It dumbfounded even the pessimists who had expected, at worst, a 12-month extension of the voluntary ban. The Government's *volte-face* demands explanation.

Taking credit for the ban is a small but highly organized coalition of anti-GM non-government organizations—Greenpeace Australia-Pacific, the Network of Concerned Farmers, the Australian GeneEthics Network, and organic farming bodies. But how did they persuade the Victorian Government to ban a crop that Canadian farmers have grown profitably, safely and with great benefit to the environment, for nearly a decade? Some commentators have argued that the decision was a political contribution to securing Green preferences for federal Labor at this year's election. That argument fails because a 12-month extension of the voluntary moratorium would have served the same purpose.

DAIRY GREENMAIL

More plausibly, Premier Bracks was presented with a Faustian dilemma: agree to ban all GM crops for four

years, or face the potentially much more serious consequences of having the anti-GM movement target the State's most lucrative primary export industry—dairying. The Government's press release noted that the State's two biggest dairy companies—Murray-Goulburn Co-operative and Tatura Milk—had discussed with the government their concerns about the potential impact of GM canola on their export markets. But Victoria's dairy industry is not GM-free. It already uses two GM products in its production chain.

In a March 2004 report commissioned by the Victorian Government, 'GM Canola Market Impact and Segregation Study', consultants ACIL Tasman state:

Victoria is also Australia's major dairy producing state. Australian dairy-product exports to over 100 countries around the world average \$2.5 billion per year. Virtually all of the dairy cows in Victoria are grazed on pastures with protein and energy supplements contributing approximately 20–30 per cent of the total diet. The majority of this supplement is made up of cereals with 20–30 per cent made from protein meals such as soybean meal (imported), cotton seed meal from NSW and Queensland, and canola meal from the Victorian and NSW canola-crushing industry.

Either the Government failed to read its own report, or it has knowingly colluded with the big dairy companies—and on the evidence, with the anti-GM movement—to perpetuate a marketing fiction.

Pest-resistant and herbicide-tolerant GM cotton varieties currently account for more than 30 per cent of Australian cotton production, and with the release this season of new Bollgard 2 varieties, which are doubly protected against pest attack, the figure will soon rise to around 80 per cent. In their national campaign to block GM canola, Greenpeace and the other anti-GM NGOs

have relied heavily on a thin-end-of-the-wedge argument that GM canola would be Australia's first GM food crop, and an unacceptable experiment that would put consumer's long-term health at risk. But Australians have been consuming margarine and cooking oil made from a home-grown, GM oilseed crop—cotton—for eight years. Australian oilseed processors crush around 100,000 tonnes of cotton seed each year, and because there is no segregation of GM and non-GM seed, the GM crush is somewhere around 30,000 tonnes. But, as with GM canola, there is no possibility of an

Premier Bracks was presented with a Faustian dilemma: agree to ban all GM crops for four years, or face the potentially much more serious consequences of having the anti-GM movement target the State's most lucrative primary export industry—dairying

adverse health consequences to consumers from GM-protein component, because all proteins are removed when the oil is refined. The GM protein remains in the high-protein meal, which goes into the high-protein feed supplements fed to Australian beef and dairy cattle. The imported soy meal referred to by ACIL Tasman is also predominantly GM. It is sourced from the US, where GMHT varieties currently account for 81 per cent

of production. The US and other major soy producers, such as Brazil and Argentina, do not practise segregation.

The anti-GM movement has made a major issue of the risk that 'contamination' by GM canola could threaten Australia's grain exports.

After the Government cited the cereal industry's concerns about the impact of GM canola on the State's \$1 billion grain exports, AWB Limited and its barley industry counterpart, the Australian Barley Board (ABB), felt it necessary to restate that they support a large-scale co-existence trial. Both AWB and ABB knew the risk of 'contamination' approaches zero—as the ACIL Tasman report confirms. The current level of contamination of cereal shipments by non-GM canola offers a baseline for assessing the risk of contamination by GM canola.

The ACIL Tasman report confirms that there is no contamination problem with barley, which accounts for 30 per cent of cereal production in Victoria—most Victorian barley is sold within Australia, for malting. Canola seed found in Victorian barley consignments is classified as a 'small foreign seed', and the ABB's own receival standard sets the maximum level in malting barley at 0.6 per cent—or at 1.2 to 2 per cent for feed barley. The ACIL Tasman report states: 'Handling companies' representatives have indicated that analysis of historical receival data concludes that only minute quantities of canola that are well below receival tolerances is present in cereals handled in the supply chain. AWB also indicated that levels of Small Foreign Seeds upon export are in most cases well below allowable levels.' If contamination by conventional canola is well below the 0.6 per cent limit set by ABB for malting barley, how much lower would the figure be for GM canola, when measures to avoid contamination of barley and wheat would be far more rigorous?

And if the Victorian Government really does have concerns about the risk of contamination to the State's cereal exports—or merely, customers' perceptions of such risk—why did the government select Tiega, in the heart of the barley belt around Ouyen in north-western Victoria, as a potential site for a toxic waste dump? The threat is not hypothetical: Japanese malting companies that buy Victorian barley are said to have already expressed concern at how their customers might react if Tiega is chosen as the site for the waste dump.

If the grain industry is unconcerned about a coexistence trial, the dairy industry is a different matter. According to ACIL Tasman, most Victorian dairy farmers are already feeding their cows imported GM soy and Australian GM cotton seed in high-protein feed supplements. Greenpeace, remarkably, has not drawn attention to this fact, even though it has been campaigning since before Christmas to pressure Australia's largest poultry producer, Ingham's, to stop feeding its chickens GM soy imported from the US.

HUNTING TACTICS

In Australia and overseas, Greenpeace employs the wolf pack's tactic for hunting caribou: isolate a weak or vulnerable individual from the herd and harry it into submission. Ingham's is being subjected to the same adverse publicity—and consumer pressure—that Greenpeace has used to coerce big US companies such as baby-food manufacturer Gerber, and the Starbucks coffee franchise, into eliminating GM produce from their supply chains. Before Christmas, Greenpeace activists organized a media stunt in which giant chooks pulling a Santa sleigh delivered a Christmas present of half a tonne of non-GM soy to Ingham's Enterprises in Sydney. In recent weeks, Greenpeace used its flagship, the Rainbow Warrior, in an attempt to block the departure of a cargo ship, the Rhein,

from Port Kembla harbour. The vessel was carrying 6,300 tonnes of GM soy, destined to be used in animal feed, to Melbourne. It also picketed the ship when it docked in Melbourne. In a Greenpeace press release, campaign co-ordinator John Hepburn said: 'Imported GE soy is the largest source of GE contamination of the Australian food. Up to 300,000 tonnes of GE soy comes into our food chain unlabelled each year, most of it for use in poultry feed.' In the five months since it began to target Ingham's, Greenpeace has made no mention of the fact that the dairy industry also uses

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GM soy in its supply chain—a significant omission, given Greenpeace's zeal in pursuing the anti-GM cause.

Hepburn has confirmed to *Australian Biotechnology News* that his organization is aware that the dairy industry uses up to 5 per cent of GM seeds—both cotton seed and soy—in its feed supplements. He also told ABN that Greenpeace has been 'working closely' with Victoria's big dairy producers. For more than two years, Greenpeace has co-ordinated with the Melbourne-based Australian GeneEthics Network to keep GM canola—and imported GM

soy—out of Australia. GeneEthics' executive director, Bob Phelps, issued a press release when the Rhein docked in Melbourne, calling on Ingham's 'to match the dairy industry's GE-free stance'. Phelps, like Hepburn, is surely well aware that Victorian dairy farmers use GM soy in their feed supplements. His choice of the term 'anti-GE stance' over 'anti-GE status' was deliberate. So the question of why the Victorian Government capitulated to the anti-GM movement finds its answer in another question: Why has the anti-GM movement not drawn attention to the fact that Victoria's dairy industry uses GM seed in its supply chain—and even colluded with the Government and the big dairy companies to perpetuate the deception by praising the dairy industry's 'GM-free stance'?

From the time that Greenpeace and GeneEthics launched their campaign against Ingham's last December, and GM soy, the Victorian dairy industry's export markets were at risk. By December, the Victorian Government already had the ACIL Tasman report, and a second consultant's report, by Melbourne University economist Emeritus Professor Peter Lloyd, who was appointed to review ACIL Tasman's findings. The anti-GM movement has close connections with the Victorian Government that extend even into Cabinet. The intimacy of those links is illustrated by the appearance of a draft of a government press release announcing the moratorium on the Website of the Network of Concerned Farmers (NCW) at least two hours before it was made available to the general media. The release is clearly marked 'DRAFT', and is dated March 24—the day before the formal announcement. Greenpeace helped to fund the establishment of the Network of Concerned Farmers, including the development of its Website, and continues to provide administrative support. NCW's founder, WA farmer Julie Newman, sought to ex- ▶

plain the March 24 dateline on the draft press release as a consequence of the fact that the Website is hosted in the US, across the International Date Line.

Newman also sought to explain small but significant differences between the draft and the final version as errors she had made in transcribing from the site. The NCW clearly received a preview of the press release from someone among the small group of ministers and their staff who were involved in preparing the release—or who were privy to its content.

FRIENDS IN GOVERNMENT

Health Minister Bronwyn Pike is a former member of Greenpeace Australia-Pacific's board, as confirmed by her electorate Website. According to a Government source, Pike was the leading advocate for a legislated moratorium. Treasurer and Regional Development Minister John Brumby, together with Agriculture Minister Bob Cameron, argued strongly for the moratorium to be lifted to allow Lloyd's recommended coexistence trial to proceed. Normally, Greenpeace and GeneEthics make their demands to government and industry via the mass media. On this occasion, there was no need publicly to threaten the Victorian Government or the dairy industry. They needed only to use their friends in court to make the alternatives clear: join the Australia-wide, State-based lockout of GM canola, or face potentially much greater cost to the State economy of having the anti-GM movement draw attention to the dairy industry's less-than-virginal GM status.

According to the ACIL Tasman report, 85 per cent of all dairy products exported from Australia originate in Victoria. Cheese is the most valuable segment—Japan takes 45 per cent of Victoria's cheese exports. Like Western consumers, Japanese consumers distrust GM produce. Yet the Japanese dairy and beef industries are prolific consumers of im-

ported GM grain—including GM canola from Canada. Had Greenpeace Australia-Pacific been unable to persuade Victoria to impose a moratorium, it could have exploited its global reach to destabilize Japanese consumers' confidence in Victoria's cheese—and on its past record, would not have hesitated to do so. Greenpeace's power and ruthlessness were in full view

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during its international campaign to block food aid shipments from the US to starving African nations, because they were 'contaminated' by GM maize.

Greenpeace mounted a campaign against those shipments that extended from the Western media to the highest levels of half a dozen African governments, and down to poor villagers. But public opinion surveys confirm that even educated Western consumers are highly susceptible to anti-GM disinformation. Greenpeace's Hepburn cites a recent survey by the Commonwealth agency Biotechnology Australia, which found that 66 per cent of Australians considered products from animals fed on GE produce to be GE as well. 'The science of GE crops is not well understood by people,' Hepburn admits. Hepburn says Greenpeace's basic position is that it is opposed to the environ-

mental release of GM crops because the science that underpins them is not robust, and the results are inherently unpredictable.

In response to questions from *Australian Biotechnology News* in May, a spokesman for Victorian Agriculture Minister Bob Cameron said that the Government's decision to place a moratorium on the commercial release of GM canola was based on concerns from 'significant dairy and grain exporters' about the impact on markets. 'The reason the time frame is set at four years is because it was deemed by government to be an appropriate time during which to assess market trends related to this complex issue,' the spokesman said. But on the evidence, anti-GM activists greenmailed the Bracks Government to join the GM canola moratorium.

The Victorian Government, like other State Governments, has bought time, but no lasting peace. Greenpeace and GeneEthics are vigilant, and thorough—they will be back on the offensive long before the State moratoria end in four years' time. In the interim, Victoria's agbiotech industry will have lost much more than four years of progress. The grains and dairy industries are potentially the biggest beneficiaries of gene technology. In its panic to avoid the short-term costs to the dairy and grain industries, the State Government did not consider the much greater long-term costs to Victoria: missed commercial opportunities, lost investment, damage to the confidence of the research community and the infant agbiotech industry, and the possible loss of Victoria's status as Australia's number one biotech State.

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I P A

REVIEW

Bolt On Bolt

ANDREW MCINTYRE

Andrew Bolt, columnist for the Melbourne *Herald Sun*, is Australia's most influential conservative journalist. Here he discusses his background and his views on a range of central issues confronting Australia and the Western world today

WHEN one meets Andrew Bolt, one is struck by extreme courtesy, warmth, directness and lack of pretension. This would be a surprise if one took seriously the remarks of those who criticize him: Attila the Hun, inflammatory right-winger, a tick-a-box, hey-look-at-me commentator, insane, Islam Basher, racist [obligatory], a petty, embittered little man, a sociopath ... it goes on, and on.

So who exactly is this mild-mannered, polite commentator now gaining national recognition? He convincingly describes himself as a 'humanist, rationalist, pro-freedom and anti-totalitarian, with a due but wary respect for the role of tradition and religion'. Needless to say, this is at stark odds with the descriptions proffered by his critics.

Known by his enemies as the 'Dutch Oven', Bolt's parents came out from Holland in 1957. As he points out, with some irony, 'this was a time when supposedly wicked assimilation was around'. He was born in 1959, and at that time his father worked in a brush factory, then as a bus conductor; blue collar stuff, although he was actually a trained teacher in Holland. This is a familiar theme with many immigrants up to the present day. His father eventually retrained in Australia and, shortly after, was teaching in classrooms. It appears that assimilation was not such a bad thing. 'I came face to face with some of the shibboleths of the wicked assimilation notion. We lived it, and

we didn't find it wicked. Here was my father teaching, with his accent, and then becoming a principal later.'

The family was sponsored by a church group for their arrival in Australia. Back in Holland, his grandfather was a church warden,

The outback experience at Tarcoola is significant in the context of the accusations of racism floating out of his critics' mouths. The only other Grade 7 boy at his new school was an Aboriginal who became his best friend

and both parents had been with Dutch churches. After moving around for a few years, the family (with younger brother and two younger sisters) settled on the edge of the Nullarbor Plain at Tarcoola.

The outback experience at Tarcoola is significant in the context of the accusations of racism floating out of his critics' mouths. The only other Grade 7 boy at his

new school was an Aboriginal who became his best friend. 'A lot of our classmates were Aboriginal and a lot of the boys we played football with from other schools, like Cook, were Aboriginal. We talked about race and all that.' He went overseas after finishing secondary school and worked for a year in a flower auction hall. On his return he tried university for a year, but then picked up a cadetship at *The Age*. At this stage, Bolt was not sure where he was headed. He left journalism twice without finding anything he liked better, and fell back into it.

'Unfortunately, my education was not great, worse in fact than Philip Adams's', so he had no easy introduction to the canon. He was an autodidact in a way, like Adams, but with no apparent bitterness or chip on his shoulder. Although he did feel that he missed out, by not having the 'traditional ivy hall education', he feels he has lived in an Australia that many other journalists have not experienced. 'I see how Australians get together, the kinds of Australia that often aren't represented. I have lived in the Australia that so many people theorize about.'

Through consistency and by dint of very hard work, Bolt has become unique in Australian journalism. Working for the largest circulation tabloid in the country, he is the highest profile conservative journalist to have made a mark nationally. He has his own Website and would be, after Terry McCrann, the most read scribbler in Australia. ▶

With these accolades, Bolt deflects modestly. 'Don't forget, the achievement is Rupert Murdoch's. It's his soap box. It is nice to say it, but I don't believe in the publicity'. Using Tolstoy's analogy in *War and Peace*, about historical figures simply riding crests of waves, he does admit that while the media can give megaphones to people, one has to make sure that the sound that comes from the megaphone is good ...

Bolt himself has three children, aged 10, 5 and 4. His wife is also a journalist at the *Herald-Sun*. They both have the same instinctive vision of what they want for their children. An upbringing where they feel love, where the children never doubt for a day that they are loved. Like most conservatives, they emphasize good behaviour and firm boundaries. But they also encourage them to be alive and alert, curious, challenged and, above all, passionate. Although they presently go to State schools, they will be moving on to private ones. Both parents work, but giving children their time is central. 'You can't subcontract children to a baby sitter. You don't put a gift in the cupboard.' Otherwise, this scourge of the Left loves mooching around. The children like pyjama days and lazing around with their mother. Although a self-confessed lazy person—very hard to believe—a drop of the Dutch Protestant guilt catches up with him.

The reference to his Dutch Protestant guilt inevitably raises the question of a certain tub-thumping moralizing that is perceived by some to pervade his newspaper columns. He once said that he decried the lack of moral order and the demise of 'official Christianity' in our present society and that he feared 'a new Dark Ages may be dawning'. When challenged, and asked which is better—to have a vulgar TV Footy Show with Sam Newman being dacked, or a Janet Jackson breast flashing, than women being flogged for showing an ankle—he replies, 'Gosh, I didn't know those were the

options!' In this moral decline, he worries about the rise of crime in the last 40 years and the decline of parental responsibility. 'Social theories of parenting and crime control are excuses for laziness or doing nothing. You look at the million children growing up without one of their parents at home. You look at drug use. There are reasons to worry.'

Clearly, he sees these vulgar television phenomena as symbolic of our age. 'Look at the Ottoman Empire, it took 400 years to die from its peak. People knew it was dying. They wrote about it at the time. Ef-

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orts were made to stop it, but now History runs faster. Look at Europe.' He asks where in the continuum of decline Europe might be. Spain has a birth rate of barely 1.1. Without the necessary replenishment, people will have to be imported, and Spain will necessarily become a different place. France is almost as bad.

This, of course, raises the issue of Islam and of Muslim assimilation into Western societies, a strong focus of Bolt's work. It is also the springboard for the most vicious and intemperate vilification of him, including threats to kill him and burn his house.

The irony is that, for all the racist epithets, the issue is not one of integration and cohesion of shared values, about which he is optimistic. Rather, he explains, what worries him is that 'the loudest voices within the Islamic communities seem to be the extremists who repudiate the cultural building blocks that have made Europe what it is. They would like to turn it into something else. And you have to think that society is going to change.'

There is no fatalism here, simply caution. What about the notion of the broad sweep of history, the sense of inevitability in the decline and decadence of our society? Isn't it just possible that there may be some overarching forces within our civilization that will weaken it from within, through immeasurable countless things that are out of our control?

He agrees that there is a lot in that. 'There is a fascinating chapter in Gibbon's *Decline and Fall of the Roman Empire*, where he describes what it was that he thinks caused the Empire to collapse. Gibbon believed that it lay in the rise of Christianity, when confronted with a corrupt society, that took a quietist approach and preached retreat. The Greens preach much the same message, that we must withdraw from institutions, because they are corrupt. You can see it in any Palm Sunday rally. I think there is something in it. Essentially Gibbon's thesis was that there came a stage when not enough people thought it worth their while to defend the Roman Empire.'

Bolt thinks that this appears to be happening in Europe. 'A lot of people there think it not worth fighting for the concept of Europe, for the concept of Christianity, or a Christian society, or Europe as it is. And they are retreating from that fight. Spain is retreating from a fight for civilization. There doesn't seem to be that faith in civilization. I am exaggerating a bit. But that's what

worries me. It is the internal inability to resist the germ, that infection, and you have to wonder in Australia just how many are prepared to fight’.

One wonders, when reading Bolt, why he does attract so much hatred and rage. To read the exchanges in Crikey.com.au, many there really do think he is an Attila the Hun. But reading Bolt, he seems to be a paragon of reasonableness and cautious research on the facts ... and basic common sense. How does one resist this success of the Left and the media in pushing the idea that if a shoe isn’t on the left foot, there’s only one other foot that it could be on?

‘It’s difficult. I give myself a preemptive label. I call myself conservative. That way, people have got something to hang the hat on. And it’s a defensible position. You can’t be far right and conservative. So I do that. But we have to insist that the Left and the Right are two wings of the same foul bird. And what I represent, this sort of humanist, individualist thing, is a repudiation of both. Nazi Socialism, is nazi socialism. As Hayek and others have said, it is a close cousin to communism. It is a part of that same idea where you harness a whole bundle of individuals—tie them up to a concept like working class, or the nation—and then suborn their particular desires and freedoms and dreams for the future to a national good or a concept of good of the masses, and determine their future for them.’

This conjures up the term used a lot recently by Christopher Hitchens and Mark Steyn, Islamofascism. ‘Exactly, they are all the same animal. Until you understand that, you are caught up in the idea that there is a “bad Right and a good Left”.’

Curiously, we don’t have a tradition of an extreme fascist Right in Anglo-Saxon countries such as Australia, just the occasional racist. So what does one call the Islamic extremists? ‘When you have a look at

the extremist Islamic groups operating in Australia, do you call them left-wing, or do you call them right-wing? It’s a very confused category. And you just have to say that you have groups that are too close to totalitarianism. All of these groups—green, black, whatever you like to call them, the new tribalists—are people who believe that Australia should be split, for instance, into black Australia, white Australia. These are people who are looking to direct individuals into pre-ordained identities and roles. And they have to be resisted. They are all the same.’

We have to insist that the Left and the Right are two wings of the same foul bird. And what I represent, this sort of humanist, individualist thing, is a repudiation of both

Green groups hate Bolt for making this link. ‘There is absolutely no surprise that, say, Green groups in pre-Nazi Germany flocked to the Nazi Party at a rate way above what you saw for other professional groups. But it is true. It appeals to that same instinct that people want to be a part, like ultra-religious Christians. People want to be part of something bigger and better than themselves.’

But still, as cautious as Bolt is, the vilification is hard to avoid. The issue he raises is how does the conservative mainstream show its humanity, how does it show the Left that we are real human beings? Bolt sees that, in the end, you can’t over-

come this gulf of ideas with reason or facts, but that you have to give people permission to believe something, and address their deeper motivations.

Is Bolt burned out? What of his future plans? He does find producing three pages a week, with the fallout, and some notable legal scuffles, ‘a bit of a strain’. But he is far from complaining. He has no persecution complex and considers himself ‘privileged’. In fact, being able to vent his pent-up fury and rage helps maintain his sanity. ‘I hate bullies, I hate injustice. If I see a burglar, I’ll run after him. If I see someone jumping over a turnstile, not paying their fare, I will say something. I’ve got to say something, I can’t let that go. But you have to have a lower than normal outrage level to write the columns that I do.’

About these bigger trends in Western civilization, this mix of extreme secularism—absence of religion as belief and identity—and the cult of encouraging different cultural practices and beliefs, Bolt veers between pessimism and optimism. ‘I worry about this great social experiment that has never been attempted before. It appears to be insane and counter-historical.’

On the other hand, he finds it reassuring that the great mass of people are knitted together by things such as talk-back radio, the increase in public ceremonies, such as football and Anzac Day, and that people are getting louder in their demand for such things.

Another optimistic sign surely is that Bolt is well known and is popular. Significantly, the heat of vilification from the Left is a direct measure of his success. Bolt is known amongst his haters as the ‘Dutch Oven’. But any lover of that cooking implement would respond as Lord Byron: ‘May your coals always burn HOT!’

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I P A

Environmentalism and the Integrity of Science

JENNIFER MAROHASY

PROFESSORS often complain about the quality of Australia's research and higher education. They believe their effort is severely hindered by the relatively low level of investment in research and development. This includes the diverse range of environment-related fields from water management to greenhouse accounting. But, the bigger danger is that until research institutions untangle science from environmental advocacy, more money is only likely to contribute to the further corruption of science by environmental fundamentalism.

A problem with all fundamentalist creeds is that they are driven by adherence to predetermined agendas and teachings. The fundamentalist's position is rarely tolerant of new information and is generally dismissive of evidence.

Recently, I gave a lecture to environmental science students on 'The Burden of Proof in the Environment Sphere'. My key message was that proof or evidence appears to be increasingly unnecessary as scientists increasingly operate on the basis of belief.

The lecture focused on the inconsistencies between the claims of environmental scientists and the available received evidence with respect to the Murray-Darling system.

A survey of public opinion undertaken last year showed that, across four States in both regional and metropolitan cities, Australians believe that the health of the Murray-Darling System is the nation's most pressing environmental issue, with salinity and rising water tables identified as particular problems.

Last year, the CSIRO Website claimed that 'salt levels were rising in almost all of the (Murray Darling) Basin's rivers'. The students heard how, after a concerted challenge, the falsehood was eventually removed from the Website of our most respected research institution. Graphs of the official data showed them that salinity levels had in fact very significantly reduced over the last two decades—particularly at the key site of Morgan which is just upstream from the off-takes for Adelaide's water supply.

Despite repeated claims from research leaders, including at the Cooperative Research Centre for Freshwater Ecology, that other water quality indicators were also deteriorating, official statistics indicate that nitrogen, phosphorus and turbidity levels are stable and generally consistent with a healthy river system in the context of inland Australia.

More data indicated that, despite claims to the contrary that secured \$1.4 billion in funding for the National Action Plan for Salinity and Water Quality, rising water tables are not destroying agriculture and the environment in the Murray-Darling Basin. In fact, since at least 1995, shallow water tables have generally been falling, not rising.

As the lecture progressed, the students became uncomfortable, but they didn't seem outraged by the inconsistencies.

While I continued to emphasize the importance of operating on the basis of evidence, the point was made to me by the students that, 'Belief is important. It is what makes the world go around.' One of their main concerns was that if people believed that every-

thing was OK, the environment would be destroyed. The home page for Environmental Science at the same university gives an appreciation of the nature of the belief. It states:

At first, and when human populations were small, human lifestyles made little impact on the quality of our water, air and environment. But, now that populations have grown, our life support is being severely degraded ... Environmental science brings the knowledge and approaches of science, especially biology, chemistry and earth sciences, to solving environmental problems.

The reality is that problems of pollution, including declining water quality, are being solved through technological and engineering innovations. While many Life Science facilities remain wedded to the concept that our land, air and water are generally becoming ever more polluted, and that technology is the problem rather than the solution, the empirical evidence does not support this belief—at least not for the developed world, including Australia.

When specific cases containing wrong assumptions, flawed sampling techniques, and/or selective collection, processing or reporting of data have occurred and have resulted in media headlines that create an impression at complete odds with the empirical evidence, I had assumed scientists would be outraged—as I was. At the very least, I expected surprise and willingness by those in positions of power and influence to do their bit towards correcting the misperceptions. After all, at stake is the very integrity of science and the quality of our knowledge base.

REVIEW

Yet private discussions, and some very public discourse, reveal a science community that for the most part is prepared to ignore the evidence or justify its prejudices, often by claiming a scientific consensus or peer review. There are scientists concerned by the absence of quality control and the proliferation of fundamentalists. They seem to survive either as acknowledged renegades or by not voicing their concerns for fear of losing funding or career prospects.

Writing in the December issue of this magazine ('Science is not Consensus', page 11), Professor Bob Carter suggested that a solution to 'science advocacy and spin' would involve less emphasis on the support of 'scientific superstars and special centres', and a significant increase in funding for research in the basic and enabling sciences as well as the restoration of minimal-grant funding for all active researchers employed in public institutions.

But this type of reform alone is unlikely to deliver the urgently needed cultural change. The environmental science sector is currently operating well below the standards of accountability that have been established and that are enforced for other sectors. Ian Mott of the Landholder's Institute has made the point that, 'The days are long gone when the stock market assigns any value to financial statements solely on the basis that the Directors found six mates at the club to peer review the document. So why should scientists continue to hide behind the peer review process?'

Mott has proposed a process for the certification of science, particularly where statements are made with the intention they will be acted upon—where they are incorporated into public policy.

The concept that there be some sort of system for certification has merit. This could perhaps occur through an amendment to the *Auditor-General Act 1997* and be implemented by a scientific audit committee operating under The Australian National Audit Office (ANAO). The ANAO currently has as its focus on

improving public administration and reports directly to the Parliament.

Regulatory and structural arrangements can be captured of course. The Danish Ministry of Science, Technology and Innovation strongly repudiated the findings of its own Committee on Scientific Dishonesty late last year. The final judgement concluded that the original decision which found Bjørn Lomborg—statistician and author of the international best seller *The Skeptical Environmentalist*—guilty of scientific dishonesty was emotional and contained significant errors. The process was long-winded and necessari-

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tated that Lomborg challenge the dishonesty accusation. His response to the final judgement was, 'I am happy that we now have confirmation that freedom of speech extends to the environmental debate'.

The rise of environmentalism represents a real threat, in large part because the public media do not understand environmentalism. Journalists tend to uncritically copy media releases from scientifically well-qualified advocates who use the authority that science can give to an idea to legitimize beliefs that have no basis in observation and tested theory. Newspapers embark on campaigns uncritically and without adequate in-house expertise.

The extent to which the national psyche has become captured by environmentalism, and the extent to which environmentalism rejects technological progress, is evident in *The Australia*

lian newspaper's 'Saving the Murray' series. Journalist Amanda Hodge was awarded a United Nations Association of Australia Media Peace Award for promoting 'understanding and resolution of environmental issues' through a story that included the following data-free assessment of technology and the Murray River: 'Bridled by dams and beggared by progress ... the Murray's health has deteriorated in direct proportion to the increasing importance of its resource to the nation's economy'. Using Hodge's logic, last summer's record wheat harvest must have been another blow to the river's health.

The issue extends, of course, well beyond the integrity of science and the Murray-Darling Basin. The harm caused by the lack of scientific integrity has resulted in the significant misallocation of resources with 'greenhouse' being the potential all time greatest economic show stopper.

In material, standard-of-living terms, Western democracies have progressed and benefited enormously from the secularization of society and the power of independent science. With the rise of environmentalism, however, there is now a need for reform—to take environmentalism out of science.

The concept of certified science has some merit, but regulations and committees have a tendency to maintain, rather than challenge, the status quo. There is a clear need for reforms to make funding less dependent on scientists joining the 'doom and gloom' fraternity. There is a need for those who have used, and continue to use, science fraudulently to be publicly exposed. The issues of scientific integrity, and the extent to which technology can continue to provide solutions for environmental problems, need to be publicly and openly debated—because, in the end, the integrity of science is dependent on a secular society that understands and values truth above environmentalism.

Dr Jennifer Marohasy is the Director of the IPA's Environmental Unit.

IPA

Green Charities and Partisan Political Campaigning

GARY JOHNS AND DON D'CRUZ

ENVIRONMENTAL NGOs in Australia are big players in the political process. They have close connections to the Greens political party and have advocated votes to other parties. They are also charities, however, and as such obtain financial support from the public through tax deductions. Further, they bear some characteristics of other organizations close to political parties, which must be nominated as 'associated entities' under the Commonwealth Electoral Act. The environmental NGOs' partisan activities pose some serious questions for the Department of Environment and Heritage and the Australian Tax Office, which register and regulate environmental organizations and charities, as well as for the Australian Electoral Commission, which regulates political donations.

PARTISAN POLITICAL CAMPAIGNS

As a partisan phenomenon, the environment movement has been growing for more than two decades. Perhaps its most decisive impact was during the 1990 Federal Election, when the Australian Conservation Foundation and the Wilderness Society employed widespread grassroots campaigning in marginal seats around Australia in a politically overt manner in support of the ALP.

In 2001, the Wilderness Society embarked on a major campaign targeting five Queensland seats, the object of which was to 'move Liberal voters concerned with the environment to Labor'. This was done in conjunction with the Queensland Conservation Council. It employed paid media, such

as regional television advertising, newspaper advertising, 40,000 letterbox 'how-to-vote' fliers which 'advised against voting for the National-Liberal Coalition', direct mail to 6,500 people, a mobile billboard, and 8,000 'assessments' of the parties. This was complemented by the associated earned media, and by 150 members and supporters helping the Queensland Greens to distribute how-to-vote cards in marginal electorates.

In the 2003 Victorian State election, the Wilderness Society staged a travelling roadshow, designed to generate earned media through 19 marginal seats. In addition, the Wilderness Society letterboxed marginal electorates, organized public meetings and media stunts, attended direct actions, distributed leaflets at events and railway stations, pinned up posters, and 'dropped massive banners off freeway overpasses'. All of the Wilderness Society's election campaign activities, which were telling voters who to vote for, were dressed up in terms like 'educating the community' or 'raising awareness'.

The 2003 NSW State Election saw the State Electoral Commission and environmental NGOs clash over the handing out of 'how-to-vote' cards. The clash was prompted by a 'new reading' of the *Parliamentary Electorates and Elections Act 1912* by the Commission, which caused it to notify the lobby groups not to proceed with distributing any material on election day. While the Total Environment Centre and Nature Conservation Council of NSW had already printed 300,000 how-to-vote cards, at a cost of \$7,000, it accepted the umpire's decision. The Wilderness Society reacted angrily to

the decision, calling the campaign activity a 'core' democratic right. But what is the Wilderness Society's 'core' business—conservation, or marginal seat campaigning?

Undoubtedly, the Australian environment movement's most ambitious foray into Australian politics has been the formation of the Australian Greens. In a formal sense, the Australian Greens are separate from the environmental NGOs, though there are a host of informal linkages and connections, and the linkages have become increasingly overt. For example, in the last Federal election campaign, ABC AM reported that an environmental alliance including the Australian Conservation Foundation, The Wilderness Society, Greenpeace, Friends of the Earth and the Conservation Councils in each of the States along with Bob Brown and the Greens were offering a preference deal to the major political parties.

The Greens are now starting to reach critical mass with representatives at Federal and State level, and numerous representatives at a local government level. The relationship between Greens and environmental NGOs is also undergoing a subtle but noticeable change. For example, the latest round of returns to the Australian Electoral Commission showed that the Australian Greens received \$23,890 from the environmental NGO, Friends of the Earth.

PARTISAN CHARITIES OR ASSOCIATED ENTITIES?

The essential difference between the early days of environmental political campaigning and the present is the acceptance of environmental NGOs as

charitable organizations, and public funding with disclosure rules. Both these have implications for public policy that are quite distinct from the environment as an issue.

The Register of Environmental Organisations, for example, was established in 1992 to remove the need for amendments to the *Income Tax Assessment Act* every time an environmental organization was granted tax-deductible status. The Register allows all approved environmental organizations to seek tax-deductible donations, and is administered by the Department of the Environment and Heritage in consultation with the Australian Taxation Office.

Organizations seeking entry to the Register have to establish and maintain a public fund, which is endorsed as a deductible gift recipient. An environmental organization's principal purpose must be: 'the protection and enhancement of the natural environment' or, 'the provision of information or education, or the carrying on of research, about the natural environment'. The fund is public in the sense that it is to be administered by a committee of persons of 'whom a majority has a degree of responsibility to the wider community in Australia'. Furthermore, 'these persons must demonstrate a commitment to the community outside of the environmental organization'. These specifications are presumably meant as a caution to the environmental activists not to stray too far politically. Given that the broader purpose of environmental NGOs is unerringly anti-business, and that they are clearly partisan, this caution appears to be ignored.

Further, registered organizations are encouraged to give their public funds distinctive names to distinguish the public fund from the organization. It is acceptable, however, to use the organization's name as the foundation of the public fund's name (the word 'fund' must be used in the name of the public fund). The notion that funds must be held separate from other activities is easily lost when the names are all but the same. When the broader

purposes of the NGOs are taken into account, it is clear that they are as much political organizations as they are charities.

The grounds for removal of an organization from the Register are revealing. They include, among other things, 'not using donations to the public fund for the principal purposes of the environmental organization'. However, if, as it appears, one of the principal purposes is to be politically partisan, does this disqualify the NGO? To make certain it does, partisan political activity must be specifically included as a ground for removal from the Register.

The other area of concern is with the *Electoral Act*. If and when environmental NGOs declare their donations

Leading environmental NGOs in Australia ... are essentially political campaigning organizations with no real charitable purpose

(although these are mainly in kind), the links with the Greens are so overt that perhaps they should be declared 'associated entities'. The Australian Electoral Commission's definition of an associated entity is 'an organisation which is either controlled by or operates wholly or to a significant extent for the benefit of one or more registered political parties'. This definition, therefore, includes organizations which are independent of, but primarily benefit, a party. It is not quite the same, but, as the Greens develop, the NGOs may well form around them as, historically, the unions did with Labor.

WHO PAYS THE PIPER?

The overt nature of the political activity by environmental NGOs in Australia poses a challenge to those orga-

nizations with charity status. The annual reports of a number of the leading environmental NGOs in Australia reveal that they are essentially political campaigning organizations with no real charitable purpose. They have no research expertise, nor do they bother getting their hands dirty with actual conservation activities, as do organizations such as Landcare and Greening Australia.

Another peculiarity is the fact that ACF receives funding from Australia's aid agency AusAID. AusAID's own guidelines prohibit it from funding 'political organisations'. ACF's receipt of AusAID funding points to some serious problems in the way that AusAID assesses the suitability of NGOs to be funded, especially under its AusAID NGO Co-operation Program.

What many have not noticed is the rather overt demand for funding by environmental NGOs. How political parties respond to this demand usually forms part of the scorecard which NGOs use to rank political parties. As the Wilderness Society stated during the 1998 election campaign, it expected parties to 'provide environmental organisations with adequate levels of administrative funding by increasing the Grants to Voluntary Conservation Organisations program'.

Given the political role that many environmental NGOs have in determining preferences and endorsing parties, it is interesting that the linkage between government funding and other sorts of patronage has not been examined more thoroughly. While there seems to be no evidence, at present, of money going to NGOs for preferences, there is always that possibility. The general lack of transparency by governments about their relations with NGOs needs to be remedied. Probably the best policy that political parties could adopt concerning politically active environmental NGOs is not to fund them at all.

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I P A

The Strange Return of the IR Club

IPA WORK REFORM UNIT

THE IPA Work Reform Unit was formed in 2001 in response to a perceived vacuum in the debate over work reform issues. At that time the view seemed to be that 'the reform job had been done'. The IPA proceeded to case study industries and situations to see what was happening on the ground. We developed the Capacity to Manage Index. Rather than indicating a finished job, the IPA had identified a job not even half done. In many areas the 'progress' seemed to be backward.

This latest report from the Unit is far reaching in that it brings together all the elements that show why the formal industrial relations system is systematically failing Australians. All the players have dropped the ball. The system is pulling Australian workplace relations back into a regressive era which already is impacting on the ability of workers and business to compete in a global world. We suggest a revitalizing way forward.

This *Review* article is an edited text of the full report available at www.ipa.org.au. [Go to Work Reform Unit]

THE ECONOMIC BACKGROUND

The reforms made to labour market regulation have been a significant source of Australia's economic success over the past twenty years.

Industrial relations regulation in Australia once fed the mechanisms that transmitted wage increases quickly across the economy. These characteristics would have been a substantial threat to the internationally competitive economy that broader

economic policy was intended to deliver.

Instead, courageously, the Hawke, Keating and Howard governments aligned industrial relations reform with the broader national agenda.

The opportunities and threats due to globalization remain. There is a continuing need and opportunity for improvements in Australian competitiveness and business performance. The last thing the Australian economy needs is a return to the industrial relations laws overturned by successive Labor and Coalition governments.

Yet that is exactly what is happening. Developments in legislation and practice are ignoring the competitive imperative, undermining some of the key factors on which Australian economic success has been built.

THE POLICY FAILURE CONTEXT

It is seven years since any significant advances in industrial relations reform have been made.

The last step forward was made at the beginning of 1997 with the commencement of the *Workplace Relations Act*.

Arguably, the length of time since the last reforms represents a political failure by the Coalition Government on two fronts over that period.

First, it has failed to achieve parliamentary support for the relatively uncontroversial legislative changes it proposed over the last seven years.

Secondly, perhaps the more fundamental failure has been the failure to innovate on policy.

One of the reasons for the failure of the Coalition to articulate a more

innovative position has been the absence of business participation in the debate. Business has declined to build a case for further reforms and to advocate those reforms. As a result, all recent policy and legislative change has been driven by State ALP governments.

An 'ALP industrial relations model' has emerged. It is based on restoring wide powers to tribunals, strengthening union bargaining power, restricting the capacity to make non-union and individual agreements and enabling tribunals to arbitrate more easily when unions cannot reach the agreements they want.

In the wake of this, the very conservative stance on industrial relations policy taken recently by the Federal Opposition should be no surprise.

The scheme of the 1996 Act was that union, non-union and individual agreements had equal standing, that agreements once made should be adhered to during their lives without industrial action and that the Commission's power to arbitrate was heavily and clearly circumscribed. The role of 'public interest' considerations was further confined and the scope for unions to force businesses to make agreements they did not want was reduced.

Employers and individual employees were given greater choice about the way their relations were regulated by confining the power and influence of the Commission and unions. The purpose was to facilitate the modernization of work practices by reducing the external barriers.

The Federal Opposition's proposals will undo the scheme, strategy and

REVIEW

purpose of the 1996 Act. At the very least, the ALP's proposals will raise the cost of doing business. At worst, they will create a framework for employee relations that is inconsistent with the macroeconomic framework that has progressively been put in place since 1983.

THE AIRC'S PERFORMANCE SINCE 1997

Since the commencement of the Workplace Relations Act in 1997, decisions of the AIRC have also helped undo the scheme, strategy and purpose of the Act.

Specific examples of departures from the policy of the Act resulting from decisions of the Commission include:

- The interpretation of dispute settling clauses to include the power to arbitrate disputes during the life of agreements even beyond the definition of 'allowable matters';
- An expansive view of the nature and purpose of 'exceptional matters';
- The attempts to discover a legislative duty to 'bargain in good faith' when the Parliament clearly removed such a provision from the law in 1996;
- The intense scrutiny given to non-union agreements compared to those involving unions; and
- Expanding the scope for unions to take industrial action during the life of agreements.

The main effect of the Commission's decisions in the examples given has been to re-instate to the Commission powers it lost under the 1996 amendments.

The Commission's decisions have been complemented by those of the Federal Court. For example, in a series of cases, including the *Belandra* case (Australian Meat Industry Employees' Union v *Belandra Pty Ltd* [2003] FCA 910), decisions of the Federal Court have seriously compromised the ability of employers and employees to choose Australian Workplace Agreements.

AUSTRALIAN MANAGEMENT OF INDUSTRIAL RELATIONS HAS BEEN PATCHY

Australian human resources management is as good as anywhere in the world. The paradox, however, is good human resource practice has been constrained by poor industrial relations practice. This is largely because co-operation and agreement with unions, not leadership of employees and business success, is the single most identifiable aim of the way Australian businesses manage their relations with unions.

Unions co-operate as long as it helps them achieve their goals.

When it ceases to yield returns, unions stop co-operating

The assumption underpinning the search for co-operation appears to be that sharing decision-making will align unions with company goals or help the business avoid being damaged by union behaviour. This strategy is deeply flawed.

In contrast, Australian trade unions are usually clear about what they want to achieve. They know what their leverage is and they are prepared to use their leverage. Inviting unions to share decision-making does not deflect them from their goals. Unions co-operate as long as it helps them achieve their goals. When it ceases to yield returns, unions stop co-operating. Past co-operation does not align unions with organizational goals on a continuing basis and does not immunise against industrial action.

Unions are unabashed about this. When it comes to the crunch, they are prepared to inflict damage, perhaps quite a lot of damage, on a business in order to achieve their goals,

even when there is a history of co-operation and joint decision-making.

No one should criticize unions for this. It is a part of the legitimate social activist tendency that any pluralist, democratic and free enterprise society should be able to absorb happily. Unions are recognized at law in Australia. They represent 1.8 million employees and they are authentically part of the Australian democratic process. They do what they do because of what they are. They are entitled to decide what they are.

This is a very business-like approach. There is no point complaining about it. Yet complaint, rather than strategy, is what is heard too often from Australian businesses. The prevailing orthodoxy in Australian industrial relations is that it is not OK for employers to behave in an uncooperative way in their interactions with unions, whatever the circumstances. This leads to the classic situation where managers decline to act because they cannot get union co-operation. They may decline despite the fact that managers usually have the capacity to act, without further recourse to the union, in accordance with the award and agreement on which the union had signed off.

TRAINING POLICY HAS BEEN A DRAG ON THE MODERNIZATION OF INDUSTRIAL RELATIONS

A recent report prepared by the Allen Consulting Group for the Business Council of Australia¹ queried whether the national training system provided 'the tools to support effective skill formation in the next decade.' The national training system has always been about *the economy and industries* and not about *enterprises*. The difficulties the BCA report identifies with the national vocational education and training system are sharp reflections of that overarching problem.

The issue not so clearly identified in the report for the BCA is how the national and industry focus of Vocational Education & Training (VET) is applied to enterprises through the

industrial relations system. It is this linkage that brings into question some of the key constructs of the national training system. To understand this linkage, it is first necessary to understand the origins of national training reform.

In response to the risk that it was losing control over the direction of national wages policy in the late 1980s, the ACTU launched the award restructuring agenda. The rhetoric of award restructuring was that it was intended to provide the skills basis on which the Australian economy could become more competitive. The ACTU marketed training reform to its constituency on the basis that it would create career paths for employees, guaranteeing them wage increases as they moved up the career ladder on the basis of the skills they acquired.

The pre-existing national industry training advisory bodies, on which unions and employer associations were represented, were ideal for the task of policy making.

The model the ACTU's strategy gave rise to operated like this:

- National trade unions and employer associations negotiated the new award classification structures.
- In parallel, within national industry training advisory bodies, the same unions and employers' associations negotiated the training framework and sought government funding for it.
- A usual result of industrial negotiation was that employees were entitled to training and employers were required to provide it. The volume of training was an agreed item, not a business driven one.
- The completion of training qualified an employee for a higher level job at a higher rate of pay.

This is essentially the model operating today.

The problems with this model are:

- It encourages less than optimum performance and effort by employees because employees are paid for skills they have acquired rather than how well they use their skills.

- It leads to poor labour and capital utilization across the economy. Work has become heavily demarcated at relatively fine points of distinction between jobs, and employees can only move between jobs when they obtain the necessary qualification.
- It is unfair. Employees doing the same job are paid the same no matter how well or badly they do it.
- It is a poor use of community resources. The notion of competency-based job training for a structured career path fits poorly with an increasingly diverse set of employment arrangements and labour market attachments.

It is time to re-assess national training policy.

THERE IS A FORWARD AGENDA

The need is not for re-regulation or de-regulation but for better regulation consistent with the broader economic framework in which employment relations occur.

Union representativeness

Union membership has been falling steadily for 25 years in absolute terms

as well as a proportion of the workforce. As Table 1 shows, in August 2003, private sector union membership was down to 17.6 per cent. Public sector membership was 46.9 per cent, down half a percentage point since 2000. Less than a quarter of men and slightly more than a fifth of women were union members, down by about 2 percentage points since August 2000. Membership has fallen in most States and Territories. Yet, unions retain monopoly representation rights in law. A union is allowed to write and enforce rules that permit it and no other union to represent specified classes of employees.

There is a stark contrast between the non-competitive framework for the provision of union representative services and the competitive frameworks regulating service provision in most other fields. One approach would be to link union representation more clearly to employee preference, removing registration under the WRA as the vehicle by which unions assume a representative status. Representation would be driven by the quality of managerial leadership and of union representative services rather

**Table 1 : Employees In Main Job, Trade union membership
August 2000 to August 2003**

	August 2000 %	August 2003 %
Sex		
Male	26.3	23.6
Female	22.8	21.8
State/Territory		
NSW	25.7	23.6
VIC	24.6	22.1
QLD	24.7	23.5
SA	25.9	24.6
WA	19.7	20.0
TAS	31.8	29.4
NT	21.8	21.5
ACT	23.4	23.8
Sector		
Public	47.4	46.9
Private	19.1	17.6

Source: ABS 6310.0

than representative rights created from one hundred years of history.

Wage equity

The *Conciliation and Arbitration Act 1904* was intended to prevent strikes, in the public interest, by establishing wage equity, by bringing greater certainty to wage relativities and by enabling decisions to have wide effect. The Act was a means to set minimum wages administratively. Inevitably, however, bargaining regulation has been built on to the system's primary purposes.

Australia's system for setting minimum wages by trade and occupation is bound to have a number of fatal defects

- It runs a major risk of confusing minimum wages and market wages and of allowing an interaction between the two. This was the central problem of wage inflation. This problem is today only dormant.
- It is a very complex system.
- The system cannot meet its equity objectives because it can only deal with wages and employment conditions and not tax and welfare.
- Laws governing union coverage are also a victim of the confusion between equity and bargaining. Currently, one member in a workplace is enough to confer union legitimacy in a workplace and, for new sites, no members are needed.

One approach would be to establish a multi-partite body to advise the Federal government on the combination of wage, tax and welfare (and possibly other spending) measures needed to bring about 'equity'. It would then be open to the government of the day to pass laws, based on its consideration of the advice given to it, about the appropriate combination.

Clarity in legislation

The existing legislation is the product of one of the most amended original pieces of legislation on the national statute books. The original 1904 Act has never been considered afresh. Currently, the legislation covers at least four different domains. It

provides for the establishment of minimum wages. It regulates bargaining. It establishes and regulates trade unions. It provides legislative protection of various types to employees.

It is arguable that these functions are so different that they should be covered by separate pieces of legislation administered by separate institutions:

- Legislation establishing a body to advise the government on a minimum wage and accompanying employment conditions;
- Legislation to establish a body to regulate bargaining, include overseeing bargaining in good faith;
- Legislation to establish a body to register and regulate trade unions and to conduct ballots to establish the wishes of employees regarding representation (the only situation in which bargaining in good faith makes sense); and
- Legislation to establish, protect and enforce the rights of employees.

The opportunity to clarify should include creating a unified national industrial relations system and remedying the conflict between industrial laws and competition laws.

Training reform

There should be no barriers to businesses and employees or unions agreeing on whatever arrangements for training they believe suit them best. However, it is neither necessary nor desirable for national training policy to provide the platform for that to occur.

The national infrastructure for defining training content provided by the Australian National Training Authority (ANTA) is in contradiction to the national industrial relations policy implemented in 1997: that infrastructure facilitates industry training arrangements when the thrust of industrial relations policy is collective or individual at the enterprise level. What's more, national training policy is at odds with the composition of the Australian labour market and with the way it operates.

A way forward would be to:

- Dismantle the national infrastructure for deciding training content,
- Take advice directly from business on its needs for training provision,
- Finance individuals to look after their own needs by diverting some of the funds currently committed to supporting national infrastructure and State TAFE systems to individuals,
- Retain ANTA as a mechanism for deciding the distribution of available funds between individuals and the State TAFE systems.

CONCLUSIONS

A reversion in industrial relations policy and practice is already happening:

- In State legislation;
- Under the influence of the AIRC and the Federal Court;
- By default, through poor industrial relations management in some industries; and
- As a consequence of the failure to re-assess national training policy in the light of national industrial relations policy.

Economic and business performance is at serious risk of being further undermined by foreshadowed ALP revisions to Federal labour laws, with serious consequences for inflation performance, employment growth, interest rates and competitiveness.

There is a progressive alternative to the conservative ALP agenda and the stagnant Coalition agenda. The alternative requires a complete reconstruction of the legislative framework for industrial relations and involves four separate pieces of legislation (income equity, regulation of bargaining, regulation of trade unions, employee protection) and a re-assessment of national training policy.

NOTE

- 1 *The Vocational Education and Training System: Key Issues for Large Enterprises*, The Allen Consulting Group, March 2004, p.10

The Bitter Pilger

Declining Credibility in Australia?

TED LAPKIN

IT IS still surprising that whenever the much disgraced propagandist John Pilger—with the dubious distinction of having a verb, ‘to pilger’, named after him—produces another documentary, it invariably winds up on Australian TV screens, courtesy of the ABC or SBS. What is about this man that can still earn him a semblance of respect, and interviews, with our public broadcasters in his home country?

Throughout his career, Pilger’s journalistic repertoire has been dominated by a particularly virulent strain of anti-Americanism that is a staple of hard leftist doctrine. Along with Noam Chomsky, Tariq Ali and a small coterie of other far-Left commentators, Pilger provides grist for the mills of those who populate the polar reaches of our political spectrum.

Pilger’s fondest fans come from the ranks of those who desire to see the dynamism of free markets replaced by the economic sclerosis of the socialist welfare state. He believes, not merely that the United States is dancing with the devil, but that America is Mephistopheles incarnate, Beelzebub in nation-state form. Thus, he writes, ‘there has long been a geopolitical fascism, overseen by the United States’, making America the ‘greatest source of terrorism on earth’. Those malign Yankees are waging ‘an undeclared war against democracy’, Pilger fumes.

Pilger’s reflexive anti-Americanism leads him to embrace strange positions, and even stranger bedfellows. In April 2004, Pilger wrote about his travels four years earlier through Saddam Hussein’s Iraq. He

related how he travelled from the hills of the ‘Kurdish north’, to the ‘Shia south’, remarking ‘I have seldom felt as safe in any country’.

If that was the conclusion Pilger drew from a trip through the heart of Ba’athist darkness, it must have been a well stage-managed magical mystery tour. As a journalist with a lengthy anti-American track record, Pilger was surely pampered and cosseted by the regime’s media handlers. Yet he displayed a sublime indifference to the self-evident fact that similar privileges did not extend to the Kurds and Shias who were slaughtered in their masses by Saddam Hussein’s secret police.

To John Pilger, the war against al-Qaeda is nothing more than a ‘pretext by the rich countries, led by the United States, to further their dominance over world affairs’. And Pilger has vehemently opposed war in Iraq, as well, asserting that the carnage inflicted by the recent Madrid terrorist bombings ‘was small compared with the terrorism of the American-led “coalition”’.

Of course, there has never been a shortage of politicians, celebrities and media commentators who have spoken out in opposition to the campaign to liberate Iraq from Saddam Hussein’s tyranny. But, while most of these anti-war voices pause after expressing their condemnation of the Iraqi war, Pilger brazenly rushes in where angels fear to tread. He boldly goes where only the most hardcore radical leftists have gone before, to advocate the deaths of American, British and Australian troops.

During an interview in mid-March 2004 on the ABC Television’s *Lateline* programme, Pilger began his

comments with effusive expressions of support for what he calls ‘the Iraqi resistance’. He went on, ‘historically, we have always depended on resistances to get rid of occupiers, get rid of invaders’. Then, in response to a query from *Lateline* presenter Tony Jones, Pilger actively expressed support for the killing of coalition forces in Iraq because they were ‘legitimate targets’ who are ‘illegally occupying a country’.

But, when Tony Jones pressed his line of questioning on this issue, Pilger suddenly began to dodge and weave in a manner that would make a circus contortionist proud. Jones inquired ‘so Australian troops you would regard in Iraq as legitimate targets?’, Pilger responded with an evasive ‘excuse me, but that’s an unbecoming question’.

Unbecoming? Why?

What could conceivably be improper about a request to John Pilger that asked him to clarify his position on a matter about which he had already spoken at length? In fact, Tony Jones would have been derelict in his responsibilities as an interviewer if he hadn’t attempted to draw out Pilger’s line of reasoning to its obvious conclusion. Some might even argue that Jones was far too willing to let the matter drop at the first sign of Pilger’s evasive manoeuvres. But, Pilger proved unwilling to show the courage of his otherwise loudly expressed convictions.

In this same *Lateline* interview, Pilger complemented this display of intellectual cowardice with a morally repellent apology for the terrorism being currently perpetrated by Iraqi insurgents. The Americans, says Pilger, are the moral equivalent of

the Nazi occupiers of France, which transforms any Iraqi who works with the coalition into a collaborator who can be legitimately marked for death. 'What we have in Iraq is, I suppose, the equivalent of a kind of Vichy Government being set up', he opines.

But, to John Pilger, even non-collaborating Iraqi civilians are inconsequential bit players in the real game that is afoot. He views the deliberate killing of Iraqi non-combatants by insurrectionist car bombs as a worthwhile price that must be paid to achieve the greater good of inflicting military defeat on the United States. After all, says Pilger, the intentional murder of innocents happens 'in all resistances'.

Pilger's penchant for excusing the inexcusable brings to mind a similarly lame attempt to justify the unjustifiable that took place at the height of the Soviet mass murder spree of the 1930s. At that time, *New York Times* correspondent Walter Duranty entered the pantheon of journalistic infamy when he quipped 'you can't make an omelette without breaking eggs' in an effort to rationalize Stalin's gulags, summary executions and show trials. Just as Duranty considered Stalinist repression as necessary tool in the construction of a communist utopia, Pilger thinks that any and all means are permissible to achieve his utopian vision of a humbled and chastened America.

Towards the end of his *Lateline* appearance, Pilger was asked whether he thought a moral case could be made for the forcible overthrow of Saddam Hussein. 'Absolutely', answered Pilger, 'by the Iraqi people!' Pilger expressed his conviction that, 'had there not been 10 years of medieval siege imposed on Iraq by the United States', the Iraqis would have risen up against the Ba'athist dictator. 'Now, we stopped them', he continued. 'When I say "we", I'm talking about the West'.

Yet, there is no plausible evidence to indicate that the Iraqi dictatorship might have ever been removed from

power by anything short of the business end of an American bayonet. After three decades of brutal Ba'athist repression, Saddam Hussein was well ensconced in power, and the thoroughly traumatized Iraqi people were utterly cowed into submission. Pilger's prognostication of a storming of the Baghdad Bastille was just another opportunity to lay the blame for yet more villainy on Uncle Sam.

Thus, while Pilger pays lip service to support the idea of freedom for Iraq, the practical result of his anti-war position would be to leave Saddam Hussein's tyranny intact. Pilger was willing to fight US imperialism to the last Iraqi, thus sacri-

Pilger's journalistic repertoire has been dominated by a particularly virulent strain of anti-Americanism that is a staple of hard leftist doctrine

ficing untold thousands of Sunni, Shia and Kurdish victims in his quest to oppose the evil Yankees.

A similar strain of anti-American paranoia is evident in John Pilger's writings in opposition to the NATO air campaign in Kosovo. The initial paragraph of a Human Rights Watch report entitled *War Crimes in Kosovo* encapsulates the dire humanitarian crisis that engulfed that region of the Balkans in 1999:

This report documents torture, killings, rapes, forced expulsions and other war crimes committed by Serbian and Yugoslav government forces against Kosovar Albanians between March 24 and June 12, 1999... This report

reveals a coordinated and systematic campaign to terrorise, kill and expel the ethnic Albanians of Kosovo that was organized by the highest levels of the Serbian and Yugoslav governments in power at that time.

The United States, together with its NATO allies, employed military force against the Yugoslav army and government to force a halt to this campaign of ethnic cleansing.

Yet, in the alternative universe of John Pilger, the Serbs were the victims of American aggression, rather than the perpetrators of war crimes against the Albanian minority. Welcome to the twilight zone.

There was no Serbian campaign of genocide in Kosovo, declared Pilger indignantly. Those devious Americans deliberately fomented this entire crisis as part a Machiavelian US scheme 'to occupy Yugoslavia'. As Pilger relates it, 'the Serbs were told: surrender and be occupied, or don't surrender and be destroyed. These were 'impossible terms' that 'no government could accept'.

Moreover, according to John Pilger, the prosecution of former Yugoslav president Slobodan Milosevic is nothing more than a 'show trial in The Hague'. Milosevic was merely a two-bit opportunist whose true crime, says Pilger, is that he 'didn't obey orders' coming from Washington DC. Thus, the onus for the ethnic conflicts that ravaged the Balkans throughout the 1990s is once again neatly placed at America's doorstep. 'Yugoslavia was an imperfect, but peaceful federation until the Americans and the European Union, especially Germany, decided that it did not fit in their post-cold-war order', Pilger informs us. The true villains who should be in the dock of the Balkans war crimes tribunal are Bill Clinton and Tony Blair.

Yet, the Americans are not the only Nazi-like fixtures to appear in John Pilger's political firmament. Pilger sees Australia as an inherently racist nation akin to apartheid South Africa, whose soldiers commit mur-

der on Uncle Sam's behalf in places like Afghanistan. But, in Pilger's rogue's gallery of nations that he sees as surrogates of America, the country this leftist writer loves to hate more than any other is the State of Israel.

Unlike Kosovo, where John Pilger engages in outright genocide denial, he adopts a somewhat more sophisticated tack where the Jews are concerned. Pilger doesn't deny that the Holocaust took place. He doesn't even attempt to minimize its horror. But, he instead turns this bleak chapter of history on its head by implying that the Jews have undergone a Kafka-esque metamorphosis to become the new Nazis of the Middle East. Thus, Pilger complains that 'the lessons of the Holocaust' have come to serve only the Israeli oppressors. We are told that 'the racism of Zionist intellectuals' is used to justify the 'epic injustice' being committed by Israel.

And, what about those Palestinians? Well, while not completely as pure as the driven snow, Pilger seems to think that they are aggrieved victims who have every right to resist 'violent oppression with violence'. Of course, the fact that this Palestinian 'resistance' tends to deliberately target Jewish civilians is a matter of no consequence to Pilger. If he considers the deaths of innocent Baghdadis by insurrectionist car bombs to be a necessary evil in the campaign to expel the Americans from Iraq, Pilger surely isn't going to be bothered by the deaths of innocent Israelis whom he regards as evil, unadulterated.

By Pilger's standards, the members of the Hatuel family who were killed in an ambush by Palestinian gunmen on 2 May 2004 simply got what was coming to them. After shooting the tyres of Hatuel's Citroen station wagon, two Palestinian gunmen approached the immobilized car and methodically executed its unarmed occupants at point blank range. Yet, Pilger's writings on the Middle East appear to indicate that he would consider Tali Hatuel, and

her daughters Hila (aged 11), Hadar (aged 9), Roni (aged 7) and Merav (aged 2) all to be 'legitimate targets'.

Moreover, the allusion that Jews-are-Nazis is never far from Pilger's mind. He concludes a piece in which he implausibly accuses the BBC of pro-Zionist bias in its Middle East coverage with the following sarcastic testament to the prowess of Israel's media relations operation: 'Goebbels would have approved'.

The very stridency of Pilger's polemic causes one to wonder whether the degree of his dyspepsia might be directly proportional to his failure to attract a serious political constituency. Despite all his books, docu-

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mentaries and opinion columns, Pilger's worldview ends up appealing to but a small sliver of the body politic that is far outside the mainstream.

Notwithstanding his most vehement jeremiads and denunciations, conservative politicians such as Margaret Thatcher, John Howard and a brace of George Bushs have been elected throughout the English-speaking West. And, even when more Left-leaning leaders are chosen to assume the helm of government, they invariably are statesmen of a centrist variety like Tony Blair and Bill Clinton

Thus, in the corridors of power where policy is, John Pilger is dismissed as an utter non-entity whose

extremist perspectives have never gained serious political traction. And this, of course, begs the question how anyone with such an incredible outlook is afforded any credibility by Australia's public broadcasters. And, this transpires, despite the fact that ABC's Television's *Media Watch* found Pilger's filmmaking to be factually flawed and 'wide of the mark'.

But that was 1999, and it was the *Media Watch* of different era. These days, one finds David Marr ensconced in the chair at *Media Watch*, and he seems to espouse a much more forgiving attitude towards John Pilger. Thus, Pilger came in for only the gentlest of *Media Watch* chidings over his wild-eyed assertion at a Sydney peace rally that the Australian media was completely under a corporate thumb. Yet, Marr evinced much greater vigour when he went after *Herald Sun* columnist Andrew Bolt for having the temerity to criticize Pilger's call for jihad against coalition forces in Iraq.

Australia's public broadcasters are already operating under a cloud that has been created by the widespread perception that their editorial policies lean heavily to the Left. The ABC and SBS would surely be able fulfil their obligation to present a broad range of views without delving into the conspiracy-ridden universe of John Pilger.

By broadcasting his factually questionable films, our public broadcasters are inevitably providing Pilger's work with a semblance of respectability that it does not objectively deserve. And by so doing, the ABC and SBS taint themselves, yet again, with the perception of partisan left-wing partiality, further alienating themselves from the majority of Australians whom these networks are chartered to serve.

Ted Lapkin is the associate editor of The Review, a monthly journal of analysis and opinion published by the Australia/Israel & Jewish Affairs Council. The supporting references for this article may be obtained from the IPA upon request.

IPA

REVIEW

Iraq: The Importance of Seeing it Through

An address given at the C D Kemp Dinner on 19 May 2004

The Hon John Howard MP Prime Minister of Australia

INTRODUCTION

It is a great pleasure to join you today to deliver the 60th CD Kemp lecture.

The Institute of Public Affairs, with which CD—'Ref'—Kemp was so closely associated, has stimulated debate on the issues that matter, since its inception in 1943. In so doing, the Institute has played a role in shaping, as well as articulating, our nation's values.

Established during the Second World War, it should be no surprise that CD Kemp, as one of its prime movers, wanted the Institute to give emphasis to the promotion of democracy, freedom and the rule of law.

His key interest was to ensure that post-war Australia had a policy framework in place that balanced individual freedom with responsibility—a framework which could deliver both prosperity and social cohesion. It, therefore, seems particularly appropriate that today, in his honour, I will be talking about the struggle for democracy in Iraq and Australia's role in helping that nation build a better future for its people.

A CONTEST

Iraq is caught in a complex and crucial contest of values and ideals.

It is a contest between the majority of Iraqis who want to establish a viable democracy and a violent and determined minority who want to install a new dictator or a Taliban-style regime in Iraq. It is a contest of will—as the terrorists and insurgents try to use fear and intimidation to drive the forces that support the democratization of Iraq, the coalition forces, out of Iraq.

Ultimately, it is a contest of conviction—whether the free world is prepared to protect and encourage democratic values. Those values Australians cherish—tolerance, opportunity, security and respect for one's neighbours.

A wide range of contending forces in Iraq have demonstrated they are prepared to use violence, against both coalition forces and the Iraqi people, to achieve their political objectives. Their motivations and their ambitions are complex, sometimes rooted in the old divisions between Sunni and Shia or ethnic and tribal tensions.

The jihadist terrorists—taking their inspiration from organizations like al-Qaeda—are driven by a bigoted and distorted ideology that is the complete antithesis of our own and, we should remember, the vast majority of Muslims.

But we also need to understand that this contest in Iraq represents a critical confrontation in the war against terror. We recognize this and so do our enemies.

WHY WE MUST STAY

I find it astonishing when people claim that Iraq is a diversion from the real war against terrorism. The reality is that international terrorism has invested an enormous amount in breaking the will of the coalition in Iraq.

Not only are organizations associated with al-Qaeda operating in Iraq, but each and every turn of the Iraq struggle is interpreted by spokesmen for international terrorism as part of the ongoing campaign against the United States and her allies.

Whatever may have been the origins of the horrific attack in Madrid, al-Qaeda and its associates opportunistically associated that attack with Spain's participation in the military operation in Iraq.

The terrorists have recorded Spain's subsequent decision to withdraw from Iraq in the victory column against the West.

With that in mind, it is incontestable that a failure of will in Iraq by the coalition would be seen as an enormous propaganda victory for international terrorism. A victory with far reaching consequences.

Any weakening or retreat by the coalition in Iraq will not appease the terrorists. Those who imagine that respite from future terrorist attacks can be purchased by withdrawing or temporising could not be more wrong.

International terrorism is an enemy of Australia because of who we are, not what we have done.

Australian withdrawal from Iraq would not buy immunity from terrorist attacks. International terrorism treats weakness and retreat with contempt. Countries, and their citizens, which have suffered terrorist attacks over recent years include those who have opposed as well as those who have supported coalition action in Iraq.

It will be a heavy blow to the terrorist cause if democracy and all that it offers is brought to the Iraqi people. That is why the ferocious campaign of recent times to derail not only the transfer of power on 30th June but also the establishment of a democratic infrastructure for Iraq has been so determined. ►

Sadly, the appalling abuse of Iraqi detainees in Abu Ghraib prison will have caused many in the region to question whether democracy will make a difference. They need to see that difference in action—that the victims of abuse are not only able, but encouraged to speak out, seek redress and find justice.

We share their sense of outrage. The Australian Government unreservedly condemns the abuse of prisoners of war.

We remain profoundly shocked and disturbed by the terrible images of wanton acts of cruelty and degradation—behaviour which dehumanizes all those involved.

Australia expects the US and UK forces to observe the highest standards of discipline and conduct—just as we do of our own defence force personnel. We therefore welcome the statements by President Bush and Prime Minister Blair that there will be a full investigation with those responsible being brought to account through an open and transparent process.

It is important that these reprehensible actions of a few do not overshadow the careful, disciplined and courageous behaviour of the overwhelming majority of the coalition forces. Their work in Iraq is too important. Their professionalism is too admirable. The stakes are too high.

WHY WE WENT

We could spend a great deal of time revisiting the merits or otherwise of Australia's military commitment as part of the coalition of the willing.

I do not intend to revisit in detail the events surrounding that decision. But I would remind those who now want to rewrite history that disagreement then centred on how the international community should respond to Iraq's continued non-compliance with UN resolutions. In the lead-up to coalition action, there was never any argument about the existence of Saddam Hussein's weapons of mass destruction.

The government remains steadfast in our view that it was the right decision, taken in the long-term national interests of this country. The firm stand taken by the coalition against Saddam Hussein has contributed already, in my view, to some

very significant improvements both for Iraq and for global security.

As a result of the coalition's action, Iraq is no longer ruled by a loathsome and homicidal dictator, and potentially hundreds of thousands of lives have been saved.

Understandable anger at abuse and other wrong-doing by some coalition personnel should not result in our forgetting that, if the advice of last year's critics of coalition action had been taken, Saddam Hussein and his regime would still be brutalizing Iraq.

Through its actions in Iraq the coalition has sent a clear signal to other

The firm stand taken by the coalition against Saddam Hussein has contributed already, in my view, to some very significant improvements both for Iraq and for global security

rogue states and terrorist groups alike—the world is prepared to take a stand against actual and potential proliferators of weapons of mass destruction.

FRIENDS AND ALLIES

If we lose heart, if we abandon our friends, if we choose to give the wrong signal to the terrorists, that will not only make the world a less safe place but also damage the reputation of this country around the world.

Our presence in Iraq is read as an important and valued demonstration of Australia's support for her allies—and in this regard not only the United States and the United Kingdom, who continue to carry the major share of the burden. It is often forgotten that close friends and

partners of Australia in the Asia-Pacific region, such as Japan, Korea and the Philippines, are valued members of the coalition.

Our alliance with the United States was, unapologetically, a factor in the decision to join the coalition. And it should be a factor in any consideration of our continued participation in the coalition.

We understand, as do our other allies, that the United States is the only nation that actually has the power to change the world for the better. That is what they are trying to do in Iraq.

Surely even the most passionate opponents of our involvement in the Iraq war, even the greatest sceptics about the American alliance, can see that right at the moment, when the threat posed by terrorism is so potent, we should be aligning ourselves strongly with countries like America and Britain, and other proven friends and allies. In this context, the actuality of our presence in Iraq is very important.

THE CURRENT SITUATION

The recent outbreak of violence has been very serious, but we do need to keep a sense of proportion. We have to remember that while the situation has deteriorated in certain areas, it has improved and continues to improve in others.

The coalition is making progress in restoring order in those areas affected by violence. This lawlessness is not indicative of a mass uprising. Media reports of widespread loss of control across central and southern Iraq are, in fact, an exaggeration and misreading of a complex situation.

The north of the country remains relatively peaceful and most of the south is now reasonably stable.

But violence and brutality are a deliberate tactic in the campaign to undermine Iraq's hopes of representative government and a free society.

And we must expect that the insurgent and terrorist groups, including foreign Islamic militants and jihadists, former regime elements, disaffected Sunni nationalists and political opportunists, will continue to use violence in a bid to disrupt the political transition and reconstruction.

The fight against the insurgents and illegal militias is not easy. They have shown complete contempt for Iraqi civilians. They routinely launch their attacks from mosques, schools and markets using innocent people as cover—knowingly exposing them to danger.

As so brutally demonstrated in Basra—a busload of children on their way to school are of no account, provided the target is hit. Civilians are, in the dreadful language of terror the ‘soft targets’.

But despite these serious security challenges, significant progress has been made over the last year to rebuild that nation. The coalition has made steady progress in restoring basic services and infrastructure and reviving the Iraqi economy.

Electricity, water, telephone and sanitation are gradually being restored to pre-war levels or above. Peak power production is greater than it was before the war, as well as being much more equitably distributed. Six major water treatment plants have been rehabilitated.

More than 15,000 mobile telephones are sold each week—under Saddam Hussein mobile phones were outlawed. Total telephone subscriptions have now passed the 1 million mark—20 per cent higher than under Saddam Hussein’s regime.

All the universities are open and 2,500 schools have been rehabilitated throughout the country.

All 240 hospitals as well as 1,200 health clinics are operating. More than 3 million Iraqi children under the age of five have been immunized against preventable disease. Public health spending is now close to 60 times greater than under the Hussein regime—when it was virtually non-existent.

Some 255 municipal councils have been established since July 2003.

The Central Criminal Court is operating. And Iraq has a single unified currency for the first time in 15 years.

Crude oil production is already around pre-war levels. The difference now is that the benefits flow directly to the Iraqi people.

The Coalition has also invested in 18,000 reconstruction projects, provid-

ing thousands of jobs for local Iraqis as well as infrastructure for their future.

Inflation is stable at around 20 per cent after the terrible hyperinflation experienced during Saddam Hussein’s regime. And real GDP is forecast to recover by 30 per cent in 2004.

Another very positive sign is the return of government ministries to Iraqi authority, including the Ministry of Agriculture, an area where Australia is making a significant contribution.

Moreover, Iraq now has a growing and robust independent media, which is absolutely essential for the development and maintenance of a healthy democracy.

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Even the harshest critic of the coalition’s activities would find it difficult to argue against the fact that, in large parts of Iraq, the situation is better than it was twelve months ago and measurably better than it was under Saddam Hussein.

WHAT IS THE OUTLOOK FOR IRAQ?

In April, the Iraqi Governing Council adopted a landmark Transitional Administrative Law, protecting the basic human rights of all Iraqis and laying out the roadmap for an elected Iraqi government.

After 35 years of ruthless oppression and misrule, Iraq will have free elections and a representative government.

The Iraqi Interim Government will be installed on 30th June.

It will be replaced in January 2005 by an Iraqi Transitional Government with broader powers, which in turn will be replaced by a new Iraqi Government following a referendum on a constitution and fresh national elections scheduled for the end of 2005.

The Australian Government is pleased to note that the United Nations special envoy Lakhdar Brahimi is actively consulting a wide range of Iraqi groups to develop workable arrangements for the Interim Government.

We also know that active debate is taking place in New York about a new UN Security Council resolution to express the international community’s support for the new political arrangements. In this context, we also strongly support the role of the United Nations in helping prepare elections for a transitional and then a permanent Iraqi administration.

In referring to this role for the United Nations, I note over the weekend calls by the Leader of the Opposition for the coalition to withdraw from Iraq and be replaced by, and I quote, ‘a UN force that has strong involvement of Arab states’.

This suggestion ignores the facts. The multinational force in Iraq, composed of over thirty countries led by the United States, is already fully sanctioned by the UN Security Council. There are strong international precedents for this approach

It is quite unrealistic to suggest that this arrangement should now be replaced by a UN blue helmet operation. Such an operation would depend on voluntary contributions, but there is no sign of the required willingness on the part of a wider range of countries, including Arab States, to contribute peacekeepers to a UN force.

Nor is it at all certain that the Iraqis would welcome the presence of armed forces from neighbouring countries.

Even when the Iraqi Interim Government is in control, there is still likely to be a pressing need for a continued coalition presence. Iraq will continue to depend on coalition forces to provide security and respond to threats of violence and terrorism. ►

As General Abizaid of US Central Command has acknowledged, it will take time to establish credible and capable Iraqi security forces.

Progress is being made—close to 200,000 Iraqi security personnel are already on duty and recent polling indicates that the general public's confidence in the Iraqi security forces is increasing rapidly. I am proud that Australia is assisting to build those forces.

No one imagined that the task would be easy. And perhaps the task is harder than we first thought. In the euphoria that followed the toppling of Saddam Hussein, some hoped that Iraq's post-war transition could be accomplished relatively quickly.

The reality is that the transition period has been, and will continue to be difficult, more difficult than we might have hoped.

The next two months in Iraq will be critical both politically and militarily if the timetable for transition to democracy is to be achieved. And it is likely that the violence will increase as extremists, the supporters of the old regime and political opportunists try desperately to disrupt the process.

A graphic example of such disruption occurred on Monday this week, when the President of the Iraqi Governing Council, Izzedine Salim, was assassinated.

Nevertheless, 30 June 2004 represents an important milestone on the road to Iraqis controlling their social, economic and political future.

WHAT ARE AUSTRALIA'S OBJECTIVES?

One of Australia's key objectives in Iraq is to help achieve the stability needed to establish and support democratic institutions and processes.

While the coalition forces currently provide the bulk of security, and will need to do so for some time, we know that this role will be assumed by a properly trained Iraqi military and police as soon as is practicable.

That is why Australian Defence Force personnel are in Iraq helping to train Iraqi army and navy personnel. That is why Australian Federal Police officers

will be assisting to train Iraq's new police force.

We also want to contribute to Iraq's economic rehabilitation.

We have focused our effort on areas where we have particular expertise—agriculture, economic management, governance capacity building, donor co-ordination and human rights investigations.

Australian advisers are working directly with Iraqis to build their capacity to take responsibility for long-term agricultural policy planning and providing expertise in agricultural research.

We have helped to re-establish the Ministry of Agriculture, set up a payments system for the 2003 harvest and

The multinational force in Iraq, composed of over thirty countries led by the United States, is already fully sanctioned by the UN Security Council

used our experience to help Iraqi farmers bring in the bumper summer grains harvest.

Australian experts have also been deployed to help rehabilitate water and sanitation services, emergency services, oil production, update Iraqi law (including economic and commercial law), assist in the preparation of a credible budget (the first in 30 years), and provide expertise for the criminal investigation into human rights abuses during Saddam Hussein's rule.

Our ADF Air Traffic Control Detachment has also played an important role in ensuring one of Iraq's essential infrastructure installations—the Baghdad airport—functions effectively.

This year's budget will ensure the continued funding of our involvement in Iraq until the middle of next year—

30th June 2005. That doesn't mean we are going to leave on that date, or any specific date, but simply means that we are making prudent provision for being in Iraq for a while yet.

When can our forces leave Iraq? The answer can only be—when the jobs assigned to respective force elements have been completed.

It is impossible to be more precise than that. As each milestone along the path to a more democratic Iraq is passed, the time of coalition force withdrawal draws nearer.

IRAQ IS A TEST

When the government announced on 18th March last year that we had committed Australian Defence Force elements to the coalition of the willing, we made a commitment to the people of Iraq. We undertook to help them build a new nation, one which would respect the rights of all its citizens, one that was at peace with itself and with its neighbours.

We also made a commitment to our long-term friends and allies to stand with them in the fight against proliferation and terrorism.

Iraq is an important test for the world's democracies, including Australia. It is a test of values—whether the powerful call for freedom can overcome the destructive force of terror.

And ultimately, it is a test of character and leadership—whether we possess the necessary determination and resolve to meet our commitment to the Iraqi people or whether we will retreat in a pointless attempt at isolationism.

I know Australia for its part can meet this test, because denying terrorists victories and playing our role in ensuring global stability is something that I believe the Australian people, whatever their politics, overwhelmingly want.

NOTE

This is an edited version of the Prime Minister's address. The full version may be accessed on the PM's Website at: www.pm.gov.au/news/speeches/speech878.html

IPA

Capitalism, Markets and Morality

HAL GP COLEBATCH

THE ideas of Adam Smith succeeded in generating wealth, liberty and happiness around the globe because they were founded in an understanding of the realities of human nature. Unlike Marx and the totalitarians, he did not set out to transform human nature. It was not capitalism that gave us Auschwitz and the Gulag for the untransformable.

Capitalism, very simply, depends on satisfying human wants; other economic systems depend on some form of coercion. Ask any hostile critic of capitalism what should be put in its place and the answer will be either economic coercion or, from the sort of people who believe Osama bin Laden just needs a big hug, an appeal to New Age or occultist theories of spontaneous self-sacrificing co-operation.

Capitalism hardly claims to be moral, but nevertheless is interdependent with a society where moral values are respected. Capitalism functions less well in the presence of trade-barriers such as tariffs and by artificial barriers to market entry which also happen to be forms of theft. It appears badly handicapped in modern Russia by the power of more direct forms of organized crime.

It is false and dangerous to project from the fact that capitalism—a system of production—is largely of itself unconcerned with morality, any notion that a capitalist society can be amoral.

I do not know of any serious commentator who has actually put forward a totally amoral *laissez-faire* society as a going proposition, however much some socialists and Leftists believe that is what people like us all want.

It is integral to Western Civilization that provision must be made for the welfare of those unable to take part in the market economy. It is obvious, common sense that governments need to be involved in health and safety issues and some other matters in the workplace. One gets extremely tired of being told that capitalists, economic rationalists, 'Drys' or whatever, 'worship the market' or take no account of market externalities, or the need for public goods or infrastructure investment. These claims are sometimes accompanied by suggestions that those who point out economic irrationalities and inefficiencies, such as tariffs, bounties, subsidies etc., are lusting to thrust children back down the coal-mines.

Should this be thought hyperbole on my part, I quote from a review of John Hyde's book *Dry* published in a long-established, quasi-conservative, anti-free-trade, Catholic-oriented Australian journal:

Every tariff, every import quota, every trade union—indeed every marriage where the wife dares to raise children herself, instead of farming them out to totalitarian creches while she furthers her own paper-shuffling career—disgusts Hyde because it defies pure economic determinism.

This misrepresentation of Hyde's book and arguments is hardly worse than one encounters from economic irrationalists almost every day. (A letter of my own to the same journal was published under the heading 'The Free Trade Panacea,' obviously in order to ridicule it.) William Coleman, author of *Exasperating Calculators*, has documented many more instances of such

misrepresentation. In fact, however, I have never met anyone—I do not think even in print—who 'worships the market' or thinks the market is the complete answer to the human condition. At most, such notions tend to be put forward by extreme polemicists such as Ayn Rand or a few libertarians who tend to use the idea of *laissez-faire* as a starting point for debate rather than a practical agenda. Such notions are simply not part of the real politico-economic world.

One of the silliest accusations I have heard made against capitalism is that it is atheistic. Capitalism is not a religion but a means of production, and it makes as much or as little sense to call Capitalism atheistic as it does to call a steam-engine atheistic. This, incidentally, is one reason why talking of a 'Third Way' between capitalism and Communism (which latter does make religious claims) is about as sensible as talking of a third way between Tuesday week and plywood.

Capitalism got under way in historic Christendom, and today the most dynamic, inventive, capitalist nation, the USA, also happens to be the most Christian. It is also notable that the so-called 'post-Christian' societies of Europe appear to be undergoing a complex social malaise, including a pronounced falling-off of scientific and technological inventiveness. Is there any connection between this and their huge welfare systems, partly financed by the US picking up much of their defence spending? However, the relationship is hard to measure precisely.

It is only with capitalism, allied with science, technology, democracy and Judeo-Christian values, that it is generally both economically possible

to afford and politically and culturally practical to have a welfare state. Medieval Venice was able to treat its poor exceptionally well because it was, through trade, exceptionally rich for the times. The hideous conditions of the poor and economically marginalized at other times and in other cultures were not due to the fact that those societies were crueller or greedier than ours, but to the fact that nothing better could be afforded. Those heroes, like the charitable monks and the hospitallers who fed and cared for the poor in medieval times, were themselves looking at lifespans of about 30 years. History shows the progressive expansion of social welfare, and the whole rise in living standards for the mass of people, closely followed the increases of production made possible by the gradual accumulation of scientific-technological and economic knowledge. Science-writer S.M. Stirling captures it pithily:

By the High Middle Ages tens of thousands of water and wind mills were scattered all over Europe. Grinding grain, eliminating the killing labour that Homer's heroes blithely assigned to their slave-women, fulling cloth, sawing wood and stone; every groaning wooden wheel represented one less whip-mark laid on a human back.

Capitalism grew slowly in the West, in a complex but fruitful relationship with Judeo-Christianity and with science-technology. The free-trade writings of Adam Smith, and the Industrial Revolution which they helped usher in, gave human progress and happiness a rocket-boost, not only because they made far greater wealth available to all, but also because they made possible the spread of education and the progress of democratic institutions.

Australia was able, almost from its foundation, to afford a high standard of living, including a high-wage culture, and its labour movement could seriously set out to create 'the working man's paradise', only because Australia's settlement coincided with the industrial revolution and a great

wave of scientific and technological discovery which led to massive increases in production. Increased production could, after a time-lag, be translated into better wages and working conditions, and more social welfare. That was one of the tasks of the democratic political process.

It is probably because capitalism rewards innovation that capitalist societies have been responsible for practically every major invention in the modern world. It was from capitalist societies that practically all the great advances in medicine came and continue to come. The fall of Communism revealed that in science and

Talking of a 'Third Way' between capitalism and Communism ... is about as sensible as talking of a third way between Tuesday week and plywood

technology, including even military science, the command economies of Communism could seldom achieve more than poor copies of Western originals.

Further, though it is hard to be precise about this, the acceptance of the notion that international trade was a win-win situation, rather than, as the Mercantilists had believed, a zero-sum or beggar-thy-neighbour situation, must have helped prevent many wars. At the very least, and this generally applied even under the mercantile system and even in ancient times, societies that were trading with each other were not fighting one another. Trade was linked to a spread of education and

knowledge among ordinary people of a wider world. The globalization of international trade and the great reduction in trade barriers since 1945 are certainly among the major reasons why there has not been another great war.

The arts flourished far better under capitalism than under State subsidies and protection because in a free-market system an artist had to produce work somebody actually liked. In this microcosmic example, one sees the whole strength of the market economy as compared to the planned or command economy.

Economic and political freedom, together, are by far the best, but if that is impossible, relative economic freedom is better than nothing. Further, economic freedom seems to promote political freedom in the long run. *The Spectator* recently published an article on how that hateful icon of capitalism, Nike, is transforming the lives of workers in Communist Vietnam. They used to walk to work, then the wages Nike paid enabled them to buy bicycles, then scooters, and now their first cars.

Further, the example of Nike is causing other Vietnamese factories to raise the wages and conditions of their workforces, partly because it has demonstrated that this is possible, but also *in order to remain competitive*. Rural Vietnamese who once saw nothing for their children but a life of brutal and stupefying toil on farms now dream of tertiary education and professional careers for them. Vietnam is still a Communist country, and in political terms a very nasty one—playing songs lauding the old regime is still forbidden and can land you in a tropical Gulag, and as recently as Easter 400 Christians demonstrating for religious freedom were reported massacred—but a population with growing wealth and education will be less easy—no, impossible!—to suppress politically forever.

The Catholic theologian Michael Novak has done major work on the positive relationship between morality and 'democratic capitalism' and the

present Pope comments in *Centissimus Annus*:

Not only is it wrong from an ethical point of view to disregard human nature, which is made for freedom, but in practice it is impossible to do so. Where society is so organised as to reduce arbitrarily or even suppress the sphere in which freedom is legitimately exercised, the result is that the life of society becomes progressively disordered and goes into decline ... The social order will be all the more stable, the more it takes into account and does not seek to place in opposition personal interest and the interests of society as a whole, but seeks to bring them into fruitful harmony. In fact, where self-interest is violently suppressed, it is replaced by a burdensome system of bureaucratic control which dries up the well-springs of initiative and creativity ... democracy without values easily turns into open or thinly-disguised totalitarianism ...

This continues to endorse free trade, although with proper qualifications that the needs of those too poor or otherwise unable to enter the market economy must also be cared for: 'On the level of individual nations and of international relations, the free market is the most efficient instrument for utilising resources and effectively responding to needs.' It continues:

Even in recent years it was thought the poorest countries would develop by isolating themselves from the world market and relying on their own resources. Recent experience has shown that countries that did this suffered stagnation and recession, while the countries which have experienced development were those that succeeded in taking part in the general economic activities at the international level. It seems therefore that the chief problem is that of gaining access to the international market ... It is necessary to break down the barriers and monopolies which leave so many

countries on the margins of development ...

There are difficult problems. People do not want to see jobs exported from their own country to a lower-waged one, even if the results are globally beneficial: there is no easy political answer to that. There can be real tensions between the internationalizing aspects of global trade and considerations of national identity and patriotism, or even of military defence. There can be moral problems in trading with tyrannical regimes. There are people who claim more for

Those who brush off things like vile and depraved entertainment, or Nihilistic and pathological Art, as mere functions of the market are no friends of the market economy or the civil polity

capitalism than is appropriate, or pay insufficient attention to the other vital parts of Western Civilization's polity. The fact that the market is not much concerned with morality and values does not mean that no-one need be concerned with morality and values. Those who brush off things like vile and depraved entertainment, or Nihilistic and pathological Art, as mere functions of the market are no friends of the market economy or the civil polity. Western civilization is built on several pillars and capitalism/free-market economics is only one of them.

The Left is now putting its energies into projects of cultural rather than political transformation. It is, however, re-branding its attack on capitalism as an attack on the vague, sinister entity of 'Globalization.' A lot of this can be answered by intelligent argument and exhibition of fact. The socialist and Fabian Society pioneer HG Wells recognized long ago:

Marx sought to replace national antagonism by class antagonism ...

But from the starting point of modern individualistic thought it is also possible to reach internationalist ideas. From the days of that great English economist, Adam Smith, onward, there has been an increasing realisation that for world-wide prosperity free and unencumbered trade about the earth is needed.

By the same token, some try to exacerbate division on the Right. They suggest or claim incompatibility between so-called 'neo-conservatives'—meaning in an economic sense those influenced by the classical economists (who in Anglomorph countries largely trace their intellectual descent from Adam Smith), and 'old conservatives'—believers in an organic society framed by traditions and values (who in Anglomorph countries largely trace their intellectual descent from Edmund Burke). This dichotomy is dangerous as well as false.

It is a happy fact of history that Adam Smith and Edmund Burke were close personal friends (not forgetting the credit due their oft-times host Dr Johnson) whose works combine in a luminous and coherent whole. Both took the realities of human nature as their starting-point. Both were primarily *moral* philosophers. Their intellectual descendants should have no quarrel with one another.

Hal GP Colebatch has a PhD in Political Science. His book Blair's Britain was selected as a Book of the Year by The Spectator in 1999. In 2003, he received an Australian Centenary Medal for services to Writing, Law, Poetry and Political Commentary, the only person to receive an award for this combination of activities.

I P A

Sex and the Primary School Teacher

ANDREW MCINTYRE

IN April, male primary teachers were in the spotlight after the Federal Government announced that it would introduce an amendment to the *Sex Discrimination Act* to allow schools to offer male-only teaching scholarships in a bid to tackle male teacher shortages.

It has caused a flurry of protests and commentary. The Government's aim was to tackle what it considers to be 'a significant problem in Australian education'—the shortage of male teachers.

According to the Australian Bureau of Statistics, the proportion of male school teachers has declined in the decade to 2002. Between 1992 and 2002, the proportion of male school teachers (in full-time equivalent measure) declined from 25.8 per cent to 20.9 per cent in primary schools and from 49.4 per cent to 44.9 per cent in secondary schools. Of the 22,915 students training to be primary school teachers, only 18.8 per cent are men. In Catholic primary schools in NSW, just 14 per cent of teachers are men. According to one source, 250 public or government schools in New South Wales alone have no male teachers at all.

The facts pose several questions. Is the lack of male teachers a significant problem? In other words, are male teachers important both as role models and for boys' performance? What are the causes of this decline? And will scholarships help?

Educational researcher Jennifer Buckingham suggests that male teachers may help boys perform better, but that there is no hard evidence to back the claim. She also goes on to empha-

size that a different, and more structured approach to literacy teaching has a beneficial effect on boys; for example, if they are told what is expected and how their work will be marked. In other words, it is the method, not the male teacher, that is the answer.

This calls into question the syllabus itself, which over 20 years has been changing; testing regimes, expectation and outcomes in education have been radically feminized. This, in itself, may explain the poor performance of boys. In any case, boys' performance is poor through secondary schooling as well, where the male teacher ratio is much higher.

Maralyn Parker, a *Daily Telegraph* columnist on education, claims that it is the quality of teaching, not the sex of the teacher, that makes a difference. She cites a huge study carried out in Queensland (led by University of Queensland's Professor Bob Lingard) which shows that quality teaching consists of quite definable techniques and methods, none of them related to the sex of the teacher.

Parker also cites the University of Melbourne's Professor Richard Teese, who has carried out extensive research in NSW and Victorian schools. He also suggests that the presence of male role models in primary school is not the answer to the problems boys have with school. 'If lack of male role models damaged boys, then most boys would arrive at school damaged. Most boys up to five-year-olds (including those with fathers at home) have women as dominant carers.' Ken Rowe, a research director with the Australian Council for Educational Research agrees that it is the quality

of teaching, not the teacher's sex, that is important.

However, Dr Peter West (head of the Research Group on Men and Families at the University of Western Sydney) points out that 'the paucity of males in teaching is linked to a decline in school discipline. But he is often criticized for inferring that only a man can understand that boys 'create a mess, get untidy, and crawl all over the place ... and that they need to be engaged by people who understand male energy'.

But before rushing in with affirmative action campaigns—much maligned in any case when applied to women and other minorities—it should be essential to understand the underlying reasons for the decline in male numbers. It is true that male trainee numbers are very low, but as one experienced teacher observed, it is not just a matter of getting in. 'The problem is that men are leaving the profession. Teaching is becoming less valued by society so the male ego is no longer inclined to want to do it, especially with the little kids'. As he succinctly puts it: 'Finger painting is a hard one to talk up at the pub with your mates.'

Research by Janet Smith from the University of Canberra on the motives of male primary teachers, confirms this perception. There was a tendency for the men she studied to see teaching children as 'pink collar work', that is, they classified it as women's work, that the 'dominant discourse' was that of nurturing. She contrasted the present situation with the past, when more males taught, and teaching was more traditional, didactic and teacher-centred. There was a

physical distance in the classroom and there were emotional safeguards. Nowadays, the teacher is considered a co-learner, with children sitting on the floor.

The reality is that society and parents have greatly changed their expectations of schools in relation to social welfare issues and caring; partly, no doubt, because more mothers are working. In short, primary teaching has become a more feminized environment. Smith's research found that males were confused with this approach; they wanted to get on with teaching.

Another primary teacher emphasized that, particularly in the younger classes, both parents and teachers saw that children needed mothering, especially with toilet issues and dressing. There was a question, even in this teacher's mind, about why male teachers would work at this level, let alone the doubt about parents being happy with male teachers at these levels.

This brings up the related and highly publicized stigma of kiddy fiddling. In her study, Smith discusses the hesitation that parents feel when contemplating male baby sitters. Paedophilia is an exciting issue for the press and many males are rightly nervous about touching children, let alone having them sit on laps or other overt physical gestures of comfort or encouragement that would never be queried if instigated by a female teacher. Philip Ruddock made the same point about the perception of a risk of allegations of abusing children in schools.

One teacher sums it up bluntly:

Because I was a male and a school teacher, I would be assumed guilty immediately. Sexual threats against a teacher (and particularly male teachers) are career-ending. I am always consciously aware that our society has become so litigious that every move I make with regards to holding a crying, injured or sick child is potentially a lawsuit. Our courts have gone too far and common sense no longer prevails. To any male wanting to

become a teacher, my advice is to think carefully, there are plenty of other 'safer' jobs to have.

Brother Kelvin Canavan of the NSW Catholic Education Office concurs. 'If a girl falls over, there is some uncertainty on how to handle the situation. Putting an arm around her is a no-no'. Canavan sees that child protection legislation, whilst needed, creates overly stringent reporting requirements, and goes well beyond 'inappropriate behaviour'. But, as Smith observes, children are touch sensitive and therefore touching is central to primary teaching and, with the teacher, inevitable. Almost all the male teachers interviewed were em-

There is a persistence in behavioural choices between the sexes ... suggesting that while scholarships may be a minor palliative, they do not address the major factors explaining the decline in male teacher numbers

phatic about the extreme pressure they felt with regard to misinterpretation, particularly with prominent court cases reported in the media.

Given these various pressures on males, claims by teacher unions and Labor that males are not attracted to primary teaching because of the pay have to be questioned. First, it does not explain the much larger percentage of male teachers in secondary schools where pay and conditions are comparable. Second, after ten years,

teachers earn around \$55,000, which, when adjusted for their extra 8 weeks holiday over other full-time workers, amounts to an equivalent of about \$70,000 annually. Given the lower academic standard required for teacher training, and the skills and subject knowledge demanded, this appears to be fair.

The reality is that biology does count, and so does sex difference, particularly in an education system that now has changed expectations. There is a persistence in behavioural choices between the sexes, even when differential pressures are applied at a social and economic level, suggesting that while scholarships may be a minor palliative, they do not address the major factors explaining the decline in male teacher numbers.

Earlier studies of Israel's kibbutzim illustrate graphically this persistence in behavioural choices. In them, every effort was made to obliterate so called feminist 'gender' conditioning. Traditional roles were essentially trashed, but this social engineering experiment was a complete failure. Virtually no men worked with preschoolers, and male participation rates only went up to 40 per cent of the high school staff. From an ideological unisex beginning, the kibbutz had developed a sexual division of labour almost identical to that found in most societies, with the women demanding more involvement with their children.

A clearer understanding of fundamental differences in boys and girls in their cognitive skills, their primary interests and their development should strongly impact on curriculum design. It doesn't. It would, at face value, appear to be a more urgent reform task. That this is happening very slowly, and in an *ad hoc* way, may be a good sign, but the resistance to changing the feminized ideology remains, and will take some conscious undoing.

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I P A

The 'R' Files

ALAN MORAN

Wanted: A New Strategy to Attack Regulatory Growth

The quantity and intrusiveness of business regulations have been accelerating in recent years. This threatens economic growth. Sustained upsurges in economic growth have, in fact, always been accompanied by a determined assault on the restrictions to commerce that build up over time.

The most notable of these regulatory reforms facilitated England's economic take-off. The 200 years to the 1870s were marked by a systematic culling of laws and regulations. Of the 18,110 Acts passed since the Thirteenth Century, over four-fifths were repealed. Commerce was freed up, resulting in the remarkable outcome we now call the Industrial Revolution. England achieved living standards many-fold those of most other countries, and other nations followed suit.

A further such development was the freeing up of world trade with tariff level cuts made within the multilateral World Trade Organisation framework. From the end of World War II to the present, developed nations have reduced their tariffs on manufactures from an average level of around 40 per cent to the present level of about 3 per cent. Stemming from this development, the post-1945 era saw an explosive expansion in international trade. This has fuelled a growth in global income levels unprecedented in world history, including, over the past 20 years, a vast improvement in living standards in those previously backward nations that adopted market-based economic policies.

More recently, an assault on the build-up of regulatory restrictions be-



gan in the US in the 1970s and intensified with the Reagan revolution. President Reagan re-inforced the Office of Management and Budget (the equivalent of Australia's Finance Department) with an arm dedicated to blocking new regulations and to winding back existing ones. The outcome was remarkably successful in progressively eliminating 'economic regulation'—restraints on airlines, telecoms, gas and electricity, rail and so on.

US success was emulated elsewhere, including in Australia. The outcome in Australia has been the economic liberalization that has been especially important in propelling a relatively high level of sustained growth over the past dozen years. Australia's liberalization process has seen the ending of government monopolies or controls on air travel, rail lines, the electricity and gas distribution industries, ports and airports, and telecommunications. In addition, governments have exited from a host of activities—from defence supplies to pharmaceuticals and banking—that were badly under-performing.

The most recent US-inspired onslaught on regulation, like previous ones, has been far from comprehensive. Alongside the success in eradicating or de-fanging 'economic regulations' there has been an accelerating growth

in 'social regulations' governing such matters as environment, health and safety. And in Australia, and some other countries, there has been the inexorable growth of tax legislation.

New Acts of Parliament are added annually, augmenting the current body of legislation by almost 10 per cent. According to Productivity Commission Chairman, Gary Banks, there were twice as many new pages of Commonwealth Acts in the 1990s as in the 1980s and three times as many as in the 1970s.

The Productivity Commission put the cost of Commonwealth regulatory staff at \$4.6 billion per annum. Added to this are the counter-regulatory staffs employed by businesses. A recent IPA report (*Paperburden Costs of Economic Regulation of the Gas and Electricity Industry*) put firms' spending on regulatory liaison at about one-half of the costs incurred directly by government, a proportion that is consistent with extensive US research on the issue.

Those paperburden expenditures are, however, small beer compared with the distortions that regulation brings to economies. These include requirements for unwanted expenditures, such as extra sound-proofing of houses. They also include measures that create income losses, for example when governments deny producers access to the best technology, as the Bracks and Carr Governments have done with GM canola. Most regulations, like tax collections, are *distortions* rather than instruments which entail totally wasted resources. With taxes, money is extracted from an individual and used for a purpose that affords at least some value. Regulations operate in much the same manner—the services are diverted from outcomes that their owner would prefer. They become less valuable in the process.

REVIEW

Sometimes, however, regulations actually have perverse effects. Thus, some safety regulations have been found to raise prices to such a degree that some consumers avoid the goods on which they are imposed and select other goods that are more dangerous. This is the case with some aircraft safety regulations that entail costs which must be passed on and which result in greater road travel, a mode that is many times more costly in terms of lives and injuries. This is akin to taxing people so that the money can be used to make their lives even more miserable, something that only the most oppressive governments do.

The various forms of regulatory restraints on business impose considerable costs. A recent OECD estimate put the compliance cost of regulation in Australia for taxation, employment and the environment alone at some \$17 billion a year.

Though without the support apparatus that contributed to the three previous waves of economic progress, agencies seeking to curb regulatory tumescence remain prominent. In Australia, the Commonwealth's Office of Regulation Review (ORR) places disciplines on other government agencies to combat regulatory excesses. It has powers that allow it to cajole and hector, to publicize some of the excesses in new proposals, and to delay new regulations where these fail certain tests designed to demonstrate their necessity. The ORR and its State counterparts are, however, a very thin and porous blue line holding back the cascade of laws that for the most part impede efficient business operations.

It is difficult to point to specific examples of unwise proposed regulations that Australia's regulatory review process has stopped, because of the behind-closed-doors nature of the assessment process. One example of success cited by the ORR concerns a proposal by the Australian Building Codes Board dealing with the regulation of energy efficiency for houses. Public scrutiny, according to the ORR, revealed that 'additional construction costs, transitional issues and likely en-

ergy savings associated with the preferred regulatory approach were overly optimistic'. A modified set of proposals was introduced. More generally, however, the increased scrutiny it imposes can only diminish the harm that would otherwise be done.

Exhaustive scrutiny of new proposals is a process that ought to be followed automatically by the central agencies (Premiers/Prime Minister, Treasury, and Finance). The problem is that these central agencies are pre-occupied by measures that impact on the budget in monetary terms. Although a regulatory dollar is every bit as costly in real terms as a tax dollar

It would be almost unprecedented for any bureaucracy to actually say that its job was complete and it should be abolished

(and can entail far greater distortion) regulatory scrutiny is not on the mainstream watch of the more influential guardians of the public purse. The adverse wealth effects from measures which, for example, curtail shopping hours, or require non-useable space to be allocated to buildings, or over-ride consumers' preferred trade-offs between energy saving and capital costs, do not appear in budget papers.

While we may be justifiably dismayed that the deregulatory thrust which commenced only 20 years ago in Australia appears to have run out of steam, we should also be aware of the powerful forces arrayed against deregulation and in favour of greater regulation. The IPA has exposed the activities of many Non Government Organizations (NGOs) who are heavily disposed towards substituting government regulation for individual decision-making—whether they be

environmental, consumerist or health-oriented organizations. These organizations, increasingly given a place at the regulatory table by governments favourably disposed towards, indebted to or afraid of them, are pressing agendas that are fundamentally antithetical to the free-market economy.

An example of this is offered by a prominent spokesman for 'green' NGOs, Peter Garrett. Mr Garrett recently expressed a preference for no economic growth if this means increased use of water, land and energy. The corollary of that proposition would be that a reduction in income levels would be beneficial since this might be expected to be accompanied by a reduced use of energy, water and perhaps land. Voices representing this perspective are heavily represented on government advisory bodies and, indeed, are commonplace in many government agencies.

Government agencies are prone to increased regulation if only because they will always seek to expand their own power—it would be almost unprecedented for any bureaucracy to actually say that its job was complete and it should be abolished or even radically downsized. The inertia that prevents bureaucracies from downsizing stands in marked contrast to the disciplines that prevent unprofitable maintenance of surplus staff in the private sector. While there is any number of examples of firms finding that the market for their goods and services is diminishing or that the means of delivering these services has become cheaper and less labour intensive, hardly a single example can be produced of a bureaucracy voluntarily following a similar course.

Having fewer bureaucrats and advisors is one possible means of reducing regulatory intrusion. Finding a means of markedly reducing the size of regulatory agencies might be the touchstone to kick off a further round of growth-enhancing deregulation.

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

IPAA

Education Agenda

KEVIN DONNELLY

E for Fail

If it is a truism that Australians love sport, it is equally true that Australians love to celebrate success. Unfortunately, the same cannot be said for those controlling our education system.

The Australian Education Union (AEU) argues against assessment that is competitive, used to rank students, based on set year-level standards of achievement or that might be used to monitor school and teacher effectiveness.

The Australian Association for the Teachers of English (AATE) is also a very strong critic of more formal forms of assessment. In the jargon much loved by educationalists, the AATE argues that assessment should be 'criterion referenced, work required and descriptive'.

While most parents, employers and students like to have a clear idea of standards and where students are placed according to ability, the AATE believes otherwise. Not only does the English teachers body consistently argue against ranking students, but it also argues against State-wide or national literacy testing.

The Australian Council of Deans of Education also argues against tests and examinations on the basis that it is wrong to make students learn correct answers and to put students in a situation where they have to compete, one against the other.

Since the 1970s, across Australia's education systems, competitive examinations and graded assessment have gradually disappeared. Unlike successful overseas countries, where students regularly face high-stakes assessment, Australian students generally face their first competitive examination in the final year of schooling.

In many classrooms, students no longer fail, as it is considered bad for their self-esteem. Progressive teachers also argue that it is wrong to rank students in terms of ability, as this reinforces the point that some students are better than others.

As a result, parents are told that competitive, graded assessment is 'inequitable and unjust' and that the best forms of assessment are those that are 'descriptive, diagnostic and participatory'.

One reason why competitive assessment is viewed as unacceptable is that progressive and left-wing teachers argue that it is socially unjust. The fact that students from wealthy non-government schools achieve such strong Year 12 results is often used as an argument by left-wing academics to abolish external examinations and to create a situation where all students are successful.

This ignores the research suggesting that the most important influence on success at Year 12 is the quality and rigour of what happens in the classroom, especially during the middle years of schooling.

Those opposed to more formal assessment also argue that so-called collaborative learning is considered better than pitting student against student. As argued by the Australian Education Union:

Reliance on competition is a primary cause of inequalities of educational outcome because students from certain social groups are advantaged by competitive selection methods. Competitive selection also sets students against each other rather than encouraging co-operative learning methods.

Forgotten is that one of the benefits of a competitive, academic curriculum, when it is allowed to operate,

is that it provides a social ladder by which those who are less fortunate can achieve a higher standard of living and a fruitful career.

Witness the children of Indo-Chinese migrants who consistently achieve Year 12 success and the performance of selective State schools in NSW.

According to those teachers committed to progressive education fads, the ideal classroom is one where, instead of grading work numerically (7 out of 10) or on the basis that there are clearly defined standards that represent pass and fail (D is a pass, E is not), teachers celebrate the unique learning qualities of each child.

Thus, instead of regular pen-and-paper testing, students are encouraged to do project work or folio work and grades give way to vague and generalized descriptive comments such as 'attained', 'shows evidence' or 'not always achieved'.

It is also the case, in line with Australia's adoption of outcomes-based education, that students are automatically promoted from year to year without any realistic attempt to evaluate whether they have mastered the required standard of work.

Evidence that this progressive approach to assessment is widespread in Australia's schools is found in a Commonwealth-funded report entitled *Reporting on Student and School Achievement*. The report involved a sample of some 500 parents across a range of Australian schools and concluded:

Parents consider there is a tendency, more common in primary schools, to avoid facing or telling hard truths...

There is a lack of objective standards that parents can use to determine their children's attainment and rate of progress. Many parents

specifically asked for information that would enable them to compare their children's progress with other students or with state/territory-wide or national standards.

It should be noted that, unlike Australian students, who face their first competitive, high-stakes examination at the end of secondary school, students in countries that perform best in international tests such as TIMSS and TIMSS-R are regularly tested throughout their school years.

In Singapore, for example, students are tested at Grades 4 and 6 in primary school and a number of times during their secondary years. Unlike Australian schools, such tests are used to stream students into ability levels and, at the end of primary school, to decide whether students will enter the normal, special or express courses at the secondary level.

The Netherlands also expects students to undertake a standardized test at the end of primary school and this is used to decide what type of secondary education they will undertake (the choice is between junior vocational, junior general, senior general or pre-university).

Concerns about the politically correct approach to assessment are not just academic. As many parents realize, what passes as student assessment is often so vague and nebulous that parents (and students) are unable to get a clear and succinct statement of what has, or has not, been achieved.

As noted in *Reporting on Student and School Achievement*, investigating how assessment is carried out across Australian schools:

... parents really want a 'fair and honest' assessment of how their children are progressing. They do not want to find out in later years that a child has 'a problem because he didn't have the fundamentals'. Parents believe that advice can be 'honest' without being negative. Many considered that written reports are too often 'politically correct' at the expense of 'honesty'.

More importantly, parents are denied the ability to see how well stu-

dents in a particular class are achieving when compared with other students across the same year level. No amount of talk about personal growth and that learning is developmental can disguise the fact that if students have not mastered basics skills, then they are at risk.

Given that they are not compared with others, students are not the only ones saved from the embarrassment of being told that they may have failed. Such is the influence of progressive and left-wing views of education that measuring school or teacher performance is also politically incorrect.

Notwithstanding the wealth of information that is regularly collected by education authorities around Australia

While most parents, employers and students like to have a clear idea of standards and where students are placed according to ability, the AATE believes otherwise

lia which could easily be used to identify under-performing schools and ineffective teachers, parents and the public are kept in the dark. As stated by the head of Victoria's Curriculum and Assessment Authority, after detailing the wealth of information gathered that could be used to evaluate school performance, 'The information provided by the data service is confidential to the school and access to it is strictly controlled'.

Teacher unions are fierce critics of making school performance information available to the public. In States

such as Victoria and New South Wales, much needed State-wide literacy and numeracy tests could only be introduced on the condition that schools were not compared and that the information collected was kept secret.

In part, unions oppose making results public because they prefer to focus the debate on the need to increase resources—more teachers and smaller classes—instead of using current resources more efficiently.

Teacher unions also argue that it is wrong to rank schools publicly, as some schools will always outperform others in terms of achieving better results, because their students come from a more privileged socio-economic background or the school might have selective entry.

This overlooks the overseas research identifying to what extent particular schools add value to student learning by measuring how much student ability improves over a set period of time. Instead of simply comparing schools' Year 12 results, a value-added approach measures how effective schools are in lifting standards and ensuring that students perform better than might otherwise be expected.

The unions' fear is that if school results are made public, in areas such as the HSC, then it would become obvious that how well a school performs is not simply a result of how much money is spent or how small the classes are.

In fact, as common sense suggests, the reasons why some schools perform more successfully than others relate to issues such as the quality and rigour of the school's curriculum, the commitment and dedication of its teachers, having a disciplined and focused classroom environment and creating a school culture that celebrates and rewards success.

Dr Kevin Donnelly, Chief of Staff to Federal Employment and Workplace Relations Minister, Kevin Andrews, and a former Director of Education Strategies, recently released his book Why Our Schools Are Failing—funded by The Menzies Research Centre and published by Duffy and Snellgrove.

I P A



POPULATION MATTERS

I strongly urge you to give serious consideration and support to *any* programme that will encourage our population to stop growing, whether in the form of changes in the law or changes in our welfare and social programmes, and I urge you to support any policies that give positive assistance to the rest of the world in stopping population growth and increasing food production. [emphasis in original]

'Letter to a Politician'
Paul R Ehrlich,
The Population Bomb, 1968

Our topic for today, dear reader, is us. How many of us are there? How many should there be? And who the hell is going to decide this last question?

The passage quoted above is the conclusion to a letter Dr Ehrlich offered, over 35 years ago, as a model for people, who simply had to do *something* about the population 'crisis', to write to politicians. The emphasis in the model letter on '*any* programme' was no accident. In Chapter Two—'The Ends of the Road'—Ehrlich offers three scenarios for the future. The first two involve nuclear wars killing hundreds of millions, or everyone. But Scenario Three is 'cheerful', involving the deaths of only half a billion people before the First and Second Worlds gang up to create 'area rehabilitation' programmes for 'selected sections of Asia, Africa and South America'. The programmes, amongst other things, involve 'population control'. And then:

The plan will eventually cover

the entire world and is programmed with a goal of a total world population of two billion in 2025, and 1.5 billion in 2100.

At the end of this chapter, Ehrlich invited readers to create scenarios 'more realistic ... more optimistic' than his. Now, looking back, we can see how the 'Ends of the Road' were reached. Instead of an 'optimistic' requirement for a half of his 1968 population of 3.5 billion people to be shed, we have nearly doubled to something like 6.4 billion people in the world today. And these billions are, on average, and in the overwhelming majority, better fed and with greater life expectancies than members of humanity at any point in its 100,000 years of existence.

Of course, Ehrlich couldn't have known what the future would truly hold. Or could he? Back in 1989, B.A. Santamaria pointed out in his column in *The Australian* that per capita food production had increased by six per cent in the two decades leading up to 1971.

HOW MANY OF US ARE THERE?

The Web abounds with statistics. One useful site is the ironically named Overpopulation.com which, in a cool and objective way, provides the figures and arguments which demolish all claims that human population is a problem on this planet. Go to:

www.overpopulation.com

You can check the world's estimated population right now by going to:

www.census.gov/main/www/popclock.html

Every time you press the 'refresh' button on your Web browser, you will notice the number having gone up by five to ten. That represents the net of births over deaths in those few seconds (on average).

If that makes you jittery, let's look into the past and future, also courtesy of the demographers of the US Census Bureau. The years 1962



and 1963 saw the highest annual growth rate in world population since 1950, with the numbers of humans increasing at 2.19 per cent per year. Since then, the rate has fallen inexorably, to 1.14 per cent last year and is projected to fall, by 2050, to just 0.43 per cent. The raw figures and various graphs are available here:

www.census.gov/ipc/www/world.html

But these figures should be swallowed with care. They put the total world population at just over nine billion in 2050. Most competent estimates of world population see it not as continuing its increase, but reaching a peak of between eight and eleven billion, somewhere between 2050 and 2100, and then beginning to fall.

Overpopulation? What overpopulation?



FuturePundit
Future technologies of trends and their likely effects on human society, politics and evolution.

» Women Remember Physical Appearances Better than Men Do! (Go Read More Posts On FuturePundit! Less Regulation Would Increase Number of Drugs Developed »

April 28, 2004

Ageing Or Sex Ratio Bigger Demographic Problem For China?

Richard Jackson and Neil Howe have written an excellent report about demographic trends for the Center for Strategic and International Studies (CSIS) entitled The Onset of the Middle Kingdom.

CHINA IS ABOUT TO UNDERGO A STUNNING DEMOGRAPHIC TRANSFORMATION. Today, China is 58 a young society. In 2024, the elderly—here defined as adults aged 60 and over—will be just 11 percent of the population. By 2049, however, the US projects that the share will rise to 20 percent, a larger elder share than it projects for the United States (See Figure 1.) In absolute numbers, the magnitude of China's coming age wave is staggering. By 2049, assuming current demographic trends continue, there will be 207 million Chinese elderly, which is more than the total current population of France, Germany, Italy, Japan, and the United Kingdom combined.

China's shift from a younger to older population is far more rapid than has been occurring in Western nations.

The forces behind China's demographic transformation—falling fertility and rising longevity—are causing populations to age throughout the world. China's aging, however, is occurring with unusual speed. In Europe, the elder share of the population passed 10 percent in the 1970s and will reach 20 percent until the 2020s, a century later. China will traverse the same distance in a single generation, now China navigates its demographic transformation will go a long way toward determining whether it achieves its aspiration of becoming a prosperous and stable developed country. In the near term, while its population is still young and growing, China must push to modernize its economy and raise living standards. In the long term, it must find ways to care for a much larger number of dependent elderly without overburdening taxpayers or overstretching families.

China will have a higher percentage of elderly than the United States will by 2049.

Elderly (Aged 65 & Over) as a Percent of the Population
China 1970
China 1990
China 2020
China 2049
USA 1970
USA 1990
USA 2020
USA 2049

gible females (due to widely practiced polygamy) makes for strong dominance hierarchies, and that the oppression of women by restricting their public appearances is, in the circumstances of a society with large numbers of males who expect never to have mates of their own, arguably rational. Go to 'Update II' at:

www.parapundit.com/archives/002051.html

JULIAN SIMON

Before Lomborg there was Simon. Bjørn Lomborg's *The Skeptical Environmentalist* would, most likely, never have been written were it not for Julian Simon, because Simon had previously published *The Ultimate Resource*. Lomborg began with a view to demolishing Simon's work, only to discover that it was largely correct.

Simon, previously, became famous by winning a bet with Ehrlich and others that a basket of natural resources would become more abundant, as indicated by their prices. An

ways to increase productivity, allowing the billions of the world to live, and the majority of them to thrive. To him, population control (a euphemism, always, for population limitation or reduction) is the fast road to greater misery.

Many of Simon's works are available from a special archive of his work: nine of his books and many articles. The formatting is poor, but the words are wonderful. Go to:

www.rhsmith.umd.edu/Faculty/JSimon

WHAT DOES ZERO POPULATION GROWTH REALLY MEAN?

It flows lightly off the tongue: zero population growth (which was also the name of an activist group recommended by Ehrlich). You may have noticed that in Ehrlich's Scenario Three for the future of the world, he envisaged we in the rich white nations imposing on the world's poor nations—after their catastrophic collapses into starvation—population control. It is so easy to say, and so obviously humane, for those prepared to stop at the slogan and decline to think about its impact upon people.

Some years ago I decided to illustrate what it might mean to an individual at whom the pointy end of ZPG is directed. My short story was published in *Quadrant* in the late-90s, but it is also available here:

www.hifi-writer.com/pol/one.htm

FEEDBACK

I would welcome advice from readers on any other sites of interest to *IPA Review* readers. E-mail me on scdawson@hifi-writer.com.

NOT TOO MANY PEOPLE, BUT PERHAPS TOO MANY BOYS

Human beings seem to produce more baby boys than baby girls, by about 105 to 100. Biologists debate the reasons, but my view is that nature supplies a surplus of boys so that there'll still be enough of them around by the age of reproduction, given that the on-average wilder natures of boys kills them off earlier (in former times, it was as club and arrow and cannon fodder; these days it tends to be through car accidents).

What happens when governments start tinkering with anything? Unintended consequences, of course. In the case of China's long-established population control policies, one unintended consequence has been to increase the ratio of boys to girls: in 1993 and 1994 the ratio in China was 121 to 100. That makes for a lot of unmarried male adults come 2013 and 2014. The same applies to a lesser extent in India. Go to:

www.futurepundit.com/archives/002075.html

This has political implications. One explanation that has been offered for why most Middle East nations are political tyrannies is that the surplus of unmarried males to eli-

Writings by Julian L. Simon

Julian L. Simon (1912 - 1998)
Robert H. Smith School of Business
University of Maryland, College Park
Julia 11-19, 1997

The Web site - in appreciation of Julian Simon - was migrated from the University of Maryland's Inform site in April 2002 in order to keep a record of Simon's research. Some graphics and outside links may not be in working order, but all information below should be accessible. If you have any questions, please send e-mail to js@rhsmith.umd.edu

Articles

- articles by Julian L. Simon (ZIP FILE)
- The Economic Consequences of Immigration into the United States a book by Julian L. Simon
- Effort, Opportunity, and Wealth: Some Economics of the Human Spirit a book by Julian L. Simon
- Good Men: The New Paradox of Overcoming Depression a book by Julian L. Simon
- The Modernization of a Nation a book by Julian L. Simon
- Security of Abundance: A Debate on the Environment a book by Julian L. Simon
- The Philosophy and Practice of Extraneous Statistics a book by Julian L. Simon
- Remember, A Better World: Truth (and Data) Statistics

underlying theme of much of Simon's work has been that oil and minerals and food are not, important as they are, the most important thing. For Simon, it is people who are the 'ultimate resource', since people are not just consumers, but producers. It is people who invented

Further Afield will now have a new heading, *Around the Tanks*, and will come from a selection of publications detailed in The Heritage Foundation's *The Insider*, a monthly compilation of publication abstracts, events and news from around the world's think-tanks.

(Back issues of *The Insider* can be viewed at www.heritage.org/insider)

CUTTING SPENDING AND LIVING TO TELL ABOUT IT

by Keith Miller and Allison Fraser
Backgrounder No. 1738,
 The Heritage Foundation
heritage.org/Research/Budget/bg1738.cfm

Conventional wisdom has long held that voters punish politicians who cut government spending. A survey of state executives, however, shows that regardless of party, current governors who have cut state spending to balance their budgets enjoy strong popularity, and their counterparts who chose to raise taxes find support waning.

HIGH-TECH PROTECTIONISM: THE IRRATIONALITY OF ANTIDUMPING LAWS

by Claude E. Barfield
 The American Enterprise Institute
aei.org/publications/bookID.651/book_detail.asp

In this book, Barfield describes and analyses the negative and unintended consequences of attempting to protect high-tech industries through the use of antidumping laws, which are 'fundamentally at odds with the free-trade policies that have dramatically increased global welfare over the past half-century.' Barfield also points out that there has been a great proliferation of such actions in the past decade and that US companies are being targeted increasingly by foreign governments. Many WTO members have vowed to block further liberalization in key industries and sectors unless major reforms are negotiated for WTO rules on dumping laws. Many US export opportunities will be

jeopardized in the future unless a breakthrough occurs.

POOR PEOPLE'S KNOWLEDGE

Edited by J. Michael Finger and Philip Schuler
 The American Enterprise Institute
aei.org/publications/bookID.754/book_detail.asp

How can we help poor people earn more from their knowledge—rather than from their sweat and muscle alone? The book calls attention to the unwritten half of the World Trade Organisation's Agreement on the Trade Related Aspects of Intellectual Property (TRIPS). TRIPS is about knowledge that industrial countries own, and which poor people buy. This book is about knowledge that poor people in poor countries generate and have to sell.

GREAT RAIL DISASTERS: THE IMPACT OF RAIL TRANSIT ON URBAN LIVABILITY

By Randal O'Toole
 The James Madison Institute
jamesmadison.org/pdf/materials/136.pdf

Rail transit has reduced Miami and Ft. Lauderdale's livability along with the livability of every US urban area in which it has been built. This report evaluates the effect of rail transit on transit ridership, traffic congestion, taxpayers, energy consumption, public safety, and other factors affecting urban livability. The report finds that rail transit may be one of the reasons why south Florida congestion has grown so much in the past decade and suggests that high-occupancy/toll

lanes and bus-rapid transit are the solutions to the region's traffic problems.

TRADING TYRANNY FOR FREEDOM: HOW OPEN MARKETS TILL THE SOIL FOR DEMOCRACY

by Daniel Griswold
Trade Policy Analysis, The Cato Institute
freetrade.org/pubs/pas/tpa-026es.html

Griswold expresses the continued importance of trade and open markets in a post-September 11th world. He bases his argument on the wide body of political science evidence that demonstrates a connection between trade, free markets, and economic prosperity as crucial to building a civil society. Promoting trade will 'till the soil' for democracy in Asia, Latin America, and the Middle East.

THE NEED FOR NATIONS

by Roger Scruton
Civitas: Institute for the Study of Civil Society
civitas.org.uk

Scruton argues that multinational corporations, international organizations, and non-governmental organizations cannot replace the role of the nation-state. He makes his arguments based on philosophical and political traditions that appeal to all sides of the political spectrum, while rejecting traditional nationalist arguments for the nation-state. Philosophy from Immanuel Kant to the modern day is employed to demonstrate the negative effects continued dilution of the state will have on Europe and beyond.

THE NOT SO WILD, WILD WEST: PROPERTY RIGHTS ON THE FRONTIER

by Terry L. Anderson and Peter J. Hill
Stanford University Press
sup.org

Classic Western films and popular culture depict the old west as a region of lawless chaos tamed by the federal government. It is true that eventually the west was won, and law & order was established across the region but this book points to a 'ground up' growth of a civil society in the west as the force responsible for its change. Documenting the history of the old west exposes the failures of large distant governments to establish order and property rights as well as small localized groups of co-operating interests.

EDUCATION AND CAPITALISM: HOW OVERCOMING OUR FEAR OF MARKETS AND ECONOMICS CAN IMPROVE AMERICA'S SCHOOLS

by Herbert Walberg and Joseph Bast
The Hoover Institution
www-hoover.stanford.edu/publications/books/edcap.html

America's schools will begin improving once phobias regarding market-based systems and education are eliminated. With those ideals in mind, the flaws of a government monopoly on education are clearly seen using the same rational principles that show the flaw behind monopoly in general. Arguments from diverse disciplines of social science, as well as solid research help to debunk the myths used to argue against market reform in education. Once those ideals are established in the book, Walberg and Bast give their vision of an effective voucher/school privatization program.

JOB LOSSES AND TRADE: A REALITY CHECK

by Brink Lindsey
Trade Briefing Paper No. 19, *The Cato Institute*
freetrade.org/pubs/briefs/tbp-019.pdf

During this election year, the word 'outsourcing' will most likely be used as a political tool to harness fear over job losses in particular sectors. However, Cato's Center for Trade Policy Studies sets the record straight based on numbers from the Bureau of Labor and Statistics. While the United States lost 309.9 million jobs from 1993–2002, 327.7 million new jobs were created. At the same time, manufacturing has made tremendous gains in productivity. While critics would offer the critique that jobs are 'safer' under protectionist policy-making, this study provides a broad picture of the long-term benefits of a labour policy responsive to the constantly changing environment of world trade.

EUGENICS IN THE 21ST CENTURY

by Nigel M. de S. Cameron
The Wilberforce Forum
wilberforce.org

The biggest and worst idea of the twenty-first century will be a dated notion from the nineteenth, writes Nigel Cameron, dean of the Wilberforce Forum and director of the Council for Biotechnology Policy. That is, 'Good genes' are abilities, attractiveness, and gifts and are what make us special. 'Bad genes,' of course, are the opposite. Eugenics, selective breeding of humans, is set for a comeback and will spark the greatest of all battles for the human race.' Cameron discusses the history of eugenics in America in his review of *The War against the Weak: Eugenics and America's Campaign to Create a Mas-*

ter Race (New York: Four Walls, 2003) by Edwin Black and the implications for America today as it decides biotechnology policy.

GLOBALIZATION AND RELIGION

by Radley Balko
AWorldConnected.org
aworldconnected.org/article.php/601.html

As trade and globalization reach into new corners of the world and touch new cultures, many people of faith worry about what effect this new commerce will have on religion and spirituality. Some practitioners of Western faiths worry that the pursuit of wealth across international borders will lead to a kind of society-wide pursuit of material gain in lieu of spiritual fulfilment. Activists and free trade opponents, meanwhile, fear that the overpowering influence of Western ideas and commercialization will dilute and ultimately corrupt non-western belief systems. This paper examines both arguments based on the history of free markets and theocracies.

CONSPICUOUS COMPASSION

by Patrick West
Civitas: Institute for the Study of Civil Society
civitas.org.uk

This book's thesis is that empty displays of empathy do not change the world for the better; they do not help the poor, diseased, dispossessed, or bereaved. Our culture of ostentatious caring is about projecting one's ego and informing individuals what a deeply caring individual one is. It is about feeling good, not doing good. As the author illustrates, sometimes it can be cruel to care.

IPA

Letter from London

JOHN NURICK

Should We Have to Prove Who We Are?

In a few years' time, the UK will most likely have a system of 'smart' biometric identity cards. People will use them to prove their identity in encounters with officialdom and in many other transactions (such as getting a job, opening a bank account, or buying property). Quite likely, we will have to keep our ID with us at all times, ready to show to police officers, security guards, hotel receptionists and others.

David Blunkett, our Home Secretary (responsible for police, immigration and naturalization, and parts of the justice system), is particularly keen on ID cards and has been trying for years to bounce his cabinet colleagues into agreement.

Until September 2001, he said ID cards were needed to detect benefit fraud, illegal immigrants, and organized crime. Most other ministers, including Tony Blair, were opposed. Some believed that the implications for freedom were unacceptable; others didn't believe that the benefits would outweigh the costs.

After 9/11, Mr Blunkett led with the war against terror. Tony Blair now takes his side, stating airily that the civil liberties arguments have been overcome.

Mr Blunkett then upped the stakes, claiming that ID cards are 'the key to the UK's future'. They 'will help UK citizens play a full role in our increasingly global and technologically complex world'.¹

He has published a draft 'enabling' bill to create a statutory framework for a national identity database and ID cards.² The database will collate existing identifiers such as passport number, driving licence number, and



national insurance number. At first, registration will be 'voluntary', but it can be made compulsory by regulations approved by both houses of parliament. At first, only people aged 16 and over will be registered; but the age can be lowered by regulation. And so on.

In the short term, this will be no help against terrorism, and will probably divert resources from more effective measures.

Implementing the system will take years. The government envisages having '80 per cent of the economically active population' in the database by about 2012. That leaves plenty of time for a few atrocities—or for extremists to perfect their false identities.

This brings us to a fundamental problem. Today, we prove our ID in different ways for different purposes. For the electoral roll, one just signs a form. For a passport, one needs a birth certificate, a photograph, and a witness such as a lawyer, doctor or policeman to say they know you as you and it's the right photograph. And so on. With effort—remember *The Day of the Jackal?*—it's possible to establish a false identity.

The new system will have to do much better than this. Either we accept positive vetting of the entire

population—prohibitively slow and expensive—or we accept that the database will actually validate false identities as well as detect them.

The new system won't stop terrorists who enter the country legally on valid passports (like those involved in 9/11), any more than the Spanish ID card system prevented the Madrid train bombings.

Any ID card or other document can in principle be forged. So a reliable identity check will require not just comparing the person (fingerprints, iris scans...) with the card. It will also be necessary to check the card against the database—in which case why bother with the cards?

Suppose the biometric checks are 99.9 per cent reliable, and there are 100 million ID checks a year (less than 2 per person). That's 100,000 false results a year, each of which will have to be properly investigated (otherwise, what's the point?) and each of which will cause grave inconvenience and embarrassment to an innocent citizen.

Finally, even if the database can be set up (the public sector is appallingly bad at implementing major IT projects) the government can't guarantee its security. There will always be data entry clerks to be bribed and computer systems to be hacked.

But none of this seems to bother Mr Blunkett—or the 80 per cent of the British population who think ID cards would be a good thing.

NOTES

- 1 http://www.homeoffice.gov.uk/n_story.asp?item_id=918
- 2 <http://www.homeoffice.gov.uk/docs3/identitycardsconsult.pdf>

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

Compiled by IPA staff, columnists and consultants ...

NEARING MIDNIGHT

Mr Latham's attempt to parachute Peter Garrett into a safe Labor seat recruits someone who reinforces his own anti-Americanism. Garrett whines, 'US Forces give the nod, it's a setback for your country'. That aside, Garrett is the polar extreme of *New Labor*. Latham champions the aspirational voter, whereas Garrett opposes economic growth and increased general prosperity. Nor does the millionaire rock star offer to share his own wealth—indeed, he zealously opposes measures that might diminish patent rights and hence his personal income source. He is, however, generous with others' assets—farmers' land ('Let's give it back' to the Aborigines) and Murray River water (a quarter of which he wants to divert from productive to environmental uses).

Latham's Garrett putsch is as high risk as Gareth Evans' earlier courtship of Cheryl Kernot. This second harnessing of glib 'elite values' replaces sex with lashings of rock-and-roll. It may appeal to young, and baby boomer urban greens, but Garrett is a turn-off for rural and traditional urban voters.

YEP, ICE AGE A'COMIN'

Roland Emmerich, best known for 'alien-destroys-the-planet' films such as 'Godzilla', has released a new disaster movie 'The Day After Tomorrow'. In the film, a 100-metre tidal waves surge across New York Harbour followed by a quick freeze that leaves Manhattan enshrouded in ice. The cause is global warming. The result, in one day, is a new ice age? Unlike his previous flicks, this film is being touted as if it were not fiction, but cinema verité — a realistic warning of what could happen if we don't dismantle our modern economy to stave off global warming. You may be tempted to say 'only in Hollywood', but many of the

today's grand priests of global warming were, in the 1970s, oracles of the new ice age.

OVER REGULATION SPOILS THE BROTH

From *The Observer* comes the news that French cooks are cooking the books. In this Euroland of regulation, excessive law-making is forcing restaurants into closure or fraud. Sir Terrance Conran, restaurateur and design guru, says the two flagship French restaurants he runs are struggling to survive under prohibitive French and EU regulations. He blames France's 35-hour week and high GST and social security charges. André Daguin, president of the French chefs' association, blames the government for the closure of more than 3,000 restaurants and believes that it has led to a drain of French chefs to other countries.

ORTHOREXIA NERVOSA

A new type of eating disorder is emerging where people are becoming obsessed with eating to improve their health. According to the Swiss Food Association, this new wave of nutritional obsession, known as 'Orthorexia nervosa', is reaching worrying proportions. Dr Bettina Isenschmid, consultant for food disorders at L'Hôpital de l'Isle in Berne, believes that our obsession with good and bad foods is problematic and fuels an increasingly neurotic relationship with food in modern Western society.

KAFKAESQUE, TRULY

Vincent Van Quickenborne, Belgium's first Secretary of State for administrative simplification, has launched the Kafka Initiative in honour of the late German-Czech writer who hated irrational authority. As part of the initiative, Belgians

have been asked to send in examples of absurd rules. Van Quickenborne is now sorting through the 3,000 replies.

'SCIENCE' QUESTIONED? NEVER

CSIRO—an icon and mainstay of scientific endeavour in Australia for 77 years—should no longer tolerate the questioning of science, at least according to Michael Borgas, President of its staff association, and a senior scientist in its Division of Atmospheric Research. After an extensive search, CSIRO recently hired Ms Donna Staunton as Director of Communications, an appointment which Mr Borgas condemned. Why? Donna's sin was that she was formerly a non-paid director of the Institute of Public Affairs, an organization 'that questions the link between greenhouse gas emissions and global warming.'

SPIKED? NO, DRUNK

The Spectator reports that pubs in Britain are being transformed into places of anxiety and suspicion by self-appointed guardians of our safety. On the bars can be seen an array of posters, all warning of the dangers of spiked drinks and their link to rape. 'Never accept a drink from someone you don't know,' said one, thereby urging Britons to overthrow centuries of English good manners. However, it turns out that worldwide evidence shows the panic to be fabricated. In Western Australia, police conducted an 18-month-long study of the problem but, according to their toxicologist, Robert Hanson, 'We've basically declared that drink-spiking is an urban myth. We believe that it is just an excuse to hide abhorrent behaviour or inexperienced drinking.'

IPA

What's A Job?

KEN PHILLIPS

Brand Mail Revisited

In the last *IPA Review*, this column told the story of the union-organized brand attack against the media monitoring group Rehame for the purposes of achieving industrial outcomes. The article described how public relations brand attack strategies are now a standard process used by unions, frequently in partnership with Green groups, some churches and sometimes even with compliance from industry associations. A similar IPA article also appeared in the *Australian Financial Review* in April.

The intent of the two articles was to highlight the fact that third-party brand attack campaigns are now a standard part of the environment in which business must be conducted.

Normally, a business's core brand name is capable of being protected under copyright and, to some extent, by defamation laws. The business axiom has been: do a good job, service customers well, build a brand and reputation, and a business can be successful.

This intense business focus on brand value, however, has also become a strategic vulnerability for business, which unions, activist non-government organizations and other networked groups have learned to exploit. When these groups want to achieve their own business aims (for example, to leverage for members or seek to extract government or corporate funding or achieve legislative outcomes), they become highly coordinated in their attacks and accuse the targeted company of being ethically, morally or socially evil.

Where a company had been operating totally legally, the activist groups declare that the legality is nonetheless immoral and brand mail the company through adverse publicity. The activists hope to be so successful in their brand attacks that, ultimately, they convince parliaments to pass laws turning what was hitherto legal activity into an illegal activity.

Interestingly, the two short articles describing the brand attack processes elicited a defensive response from the Secretary of the Victorian Trades Hall Council in an article in the *Australian Financial Review*. The Secretary explained that, yes, unions do attack the brand names of companies as a standard part of their strategies. And, yes, this is done in concert with NGOs and others, citing Oxfam and the United Nations as examples.

Further, the Secretary argued that not only is this okay, it is absolutely necessary if unions and other groups are to force companies to act responsibly. He gave examples of Nike, Rehame and clothing companies who use outworkers as allegedly exploiting workers through underpayment. The brand mail attacks are morally justified he argued.

But morality is an intensely subjective thing. What is moral for one person can be immoral for another—and disputes about such differences are often intense. In an ordered society, what is allowed, or not allowed, is determined by laws. Businesses must act and must be allowed to act according to law. Businesses also have a right to be protected from having their core values damaged when they have not broken any law.

The trouble with moral crusaders is that they often become so blinded by their own sense of moral superiority that they run loose with the truth. This is the case in Australia—at least on the clothing outworker issue. New anti-outworker legislation in both Victoria and New South Wales was created on the back of lies. Detailed research by the IPA which tested the allegations of exploitation consistently found the accusations to be untrue (see www.ipa.org.au. go to Work Reform Unit). In some instances, the activists were caught out on television engaged in blatant lies.

What must be understood about the activists is that they are, in fact, running marketing businesses whose income is achieved substantially through their brand mail strategies. As a business, they are, in effect, no different from any other business. They have no claim to superior morality, and when they engage in lies, they strip themselves of moral credibility.

There is, however, nothing illegal about what the activists do. They have no contracts with the targeted businesses, they are not suppliers to the businesses, nor shareholders or regulators. They have, in effect, discovered a hole in society's regulatory net that allows them to attack and damage legally operating businesses and not be held accountable or liable for their actions.

They do this strategically and effectively. But let's not be fooled that, when they lie, they do it 'morally'.

Ken Phillips is a workplace reform practitioner who

IPA

REVIEW

Book Reviews

Saturated With Good Deeds

Gary Johns reviews

A Tradition of Giving: Seventy-Five Years of Myer Family Philanthropy

by Michael Liffman

(Melbourne University Press, 2004)

In our article, 'The Capture of the Myer Foundation' (*IPA Review*, March 2004), Don D'Cruz and I criticized Myer philanthropy for its radical bent, suggesting it was of recent origins. We were wrong. It has been going on for a lot longer than we imagined!

The Sydney Myer Fund and the Myer Foundation have distributed almost \$100 million, in present dollar terms, since their respective inceptions in 1935 and 1959. That is a considerable amount of money 'to do good'. Just how good is a question that can now be answered. Michael Liffman's valuable history of Myer family philanthropy is a full record of the deeds of Australia's pre-eminent philanthropic family.

The book contains a brief account of the life and origins of Sidney Myer, the young Russian Jew named Simcha Baevski, who migrated to Australia in 1899 and founded a successful retail empire. It also records the philanthropic deeds of his wife and four children. It is also an account of the establishment of Myer philanthropy and its radical transformation in the hands of subsequent generations of the Myer family. It is the latter part with which this review is concerned.

Not unexpectedly, Liffman's account is enthusiastic and 'optimis-

tic'—he was, after all, employed by the Foundation for a number of years. It is, nevertheless, a useful resource as it develops a number of key themes, which are an aid to understanding not just the Myer tradition, but also the place of philanthropy in public life.

GIVING MONEY AWAY IS NOT EASY

How does one decide what to do with the proceeds of an estate set aside for charity? With benefactor instructions as broad as: for charitable purposes 'in the community in which I made my fortune', or for the 'good of mankind', the job is not straightforward. It is made more complex with the passage of time, when the actions of the benefactor as a guide to present needs and fashions begin to fade. With the multiplication of descendants, even more so. By 1996, there were 57 living descendants of Sidney Myer, many of whom were involved in the distribution of funds. On the other hand, what is clear in the Myer example is that second and third generation members of the family have made their own financial contributions to the original endowments. Such practice has overcome much of the dilemma of donor intent.

In the early days of the Sidney Myer Fund, 'the Trustees were not called upon to consider controversial, politically shaped, or socially activist proposals'. The overwhelming bulk of requests sought to assist individuals facing some sort of difficulty. 'Rarely, if ever, did these activities seek to change, let alone blame, the larger structural arrangements of society'.

With time, however, philanthropy, like government, became a moral pursuit. It began to see itself as a force for the greater good. Meriel

Wilmot, the first executive secretary of the Foundation, put the case in 1976. 'Business can only be healthy if the surrounding community is healthy.' This is the sort of sentiment behind the currently fashionable discourse known as corporate social responsibility.

If there is to be a better world, whose view of the shape of that world should prevail? Philanthropy faces this dilemma with one significant disadvantage, and one significant advantage over government. The disadvantage is that, in government intellectual enthusiasms are tested and tempered by a public who have to pay for the enthusiasms. The advantage is that, in the case of philanthropy, the public—apart from some taxation advantages afforded philanthropists—does not have to pay.

Liffman describes the situation some decades after the establishment of the funds. By the 1970s, the 'less rosy' and '[less] complacent view of the quality of life in Australia', as expressed by Whitlam, the New Left, the anti-war movement, feminism, environmentalism, multiculturalism, disability, welfare, and Aboriginal rights, was reflected in the Myer Foundation priorities. 'Over the next twenty years almost all these new social movements were to receive support from ... Myer philanthropy. Social reform through critique and empowerment rather than through academic research and improved professional practice came to be seen as the way forward. Optimists saw in this mood a better path to the future; sceptics feared the negativity of this "culture of complaint". Myer philanthropy sided with the optimists.'

Where one could easily part company with Lipmann is his characterization of the Left agenda as optimistic. The Left has never been

anything other than pessimistic and distrustful not only of the private sector, but fundamentally of individual responsibility as well. This encapsulates a fundamental shift in philanthropic thinking. Philanthropy has a strong tradition that assumed that it did not need to change the world, but assist individuals to make their own way in it. The new philosophy promoted by the 'community sector' and various directors of the Myer funds, and apparently a number of trustees, was that the system was unfair and had to be changed. The difficulty in funding enthusiasms among the 'community sector' is that the citizens generally do not share them.

CROWDING OUT

The second theme Liffman raises is the relationship between philanthropy and government provision. He traces the expenditure pattern of Myer gifts in the context of Federal government programmes of the day. These varied from being crowded out of direct provision to the needy by a 'generous' Whitlam Government, to the need to fill gaps in provision created by the withdrawal of services at the time of the Fraser Government's 'razor' gang, and the new era of so-called 'neo-liberalism' ushered in by the Howard Government.

When a government such as Whitlam's spends money like a drunken sailor, it rather leaves the philanthropist high and dry. Then again, to suggest that Fraser ever seriously cut public outlays is a gross error. So too the old chestnut that Federal governments have been withdrawing from the field of welfare provision in recent decades, either directly or indirectly. Governments may have withdrawn their support for the ownership of government entities where mature markets no longer required the government to be the first entrant: banks, airlines, telecommunications, pharmaceuticals. They certainly have increased transfer payments and public provision of health and

education services. The perception of lack of support arises because the demand for subsidized services seems to rise quicker than the public's desire to pay for them.

Forgiving Liffman his mistaken characterization of government patterns of expenditure, there is nevertheless the question: what value does philanthropy add to an already well-provided citizenry? The crowding out of philanthropy in some years and then a resistance to pick up the slack when governments are thought to withdraw services in other years has generated a view that philanthropy need not follow government. In-

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stead, it should lead government in the generation of ideas.

Compare, for example, an idea of Kenneth Myer (son of Sidney Myer) with Michael Myer (son of Kenneth, grandson of Sidney). Sidney Myer's most famous single act of philanthropy, was to feed the Melbourne masses a Christmas dinner in 1932, in the depths of the Great Depression. Some 30 years later, the normally entrepreneurial Kenneth Myer decided that a Christmas treat for needy children was back in vogue. He suggested a \$25 Christmas voucher made out to the Myer store. As Liffman describes it, this was clearly, in philanthropic philosophy, a 'reversion'. Michael Myer, on the other hand, has extended the entrepreneurial dimension of philan-

thropy by providing 'seed funding' to various groups, much in the mode of venture capital to inventors and business people. The mode is known as 'venture philanthropy'. The means of Myer philanthropy has, with some reversion been unerringly entrepreneurial. The method is sound, the causes to which it has been applied are suspect.

For example, the Myer Funds were major sources of support for de-institutionalization activists and their associated programmes for the disabled and orphaned and so on. Rhonda Galbally, appointed as director in the early 1980s, who argued that 'self-management avoids the dependency from being helped constantly', promoted this support. Indeed, the argument was that 'rights and empowerment had taken over from social improvement in the thinking of many social theorists and community activists.'

There is now evidence to suggest that the outbreak of homelessness that commenced in the 1980s and is still with us, was caused by the emptying of institutions. The grand experiment has had its victories, but it has also proved that there is a limit to which others are willing to support those people who, no matter how deserving, are unable to support themselves. The radical philanthropic sector has come to the same conclusion as the welfare state. No amount of 'morally fervent analysis and action in the field of social welfare' overrides the right of the giver to say 'no'. A plus for Myer is that, many years later, it funded a review of the experience of de-institutionalization.

Liffman confirms the radical bent of Myer philanthropy and, in doing so, he has opened the debate of the role of philanthropy in a nation saturated with good deeds.

*Dr Gary Johns is a Senior Fellow with
the Institute of Public Affairs.*

I P A

REVIEW

Probing Liberty's First Principles

Donald J. Boudreaux reviews

Skepticism And Freedom: A Modern Case for Classical Liberalism

by Richard A. Epstein

(University of Chicago Press, Chicago, 2004, 311 pages)

I will say it up front: Richard Epstein is really, really smart. A reasonable presumption is that, if you disagree with Epstein, he is right and you are wrong. Of course, that is not strictly true; he is not always right. But he is right so often and so deeply that, if you possess a dollop or more of good sense, you can never disagree with him without suffering a nagging fear that his vision and knowledge (especially, but by no means only, of law and economics) reveal to him things that you somehow have missed.

Happily for my own peace of mind, I am in wide, if not complete, agreement with Epstein. He is a classical liberal who understands that the state is a human institution afflicted by all of humanity's flaws. He understands that the special legitimacy fuelling state power often generates fearsome tyranny out of otherwise innocuous human pettiness, vanity, greed, ignorance, and envy. He is committed to reason, preaching its virtues and practising what he preaches. He knows that being principled does not mean being dogmatic. He loves freedom; he has no wish to impose his tastes and preferences upon others; he realizes that markets need not be perfect in order to be good; and he eloquently explains that private property is indispensable for both prosperity and liberty

Epstein—for 30 years now a professor of law at the University of Chicago—probably is the world's leading living philosopher of freedom (under the age of 91). For this reason alone, any book by him is wel-

come. His latest work, *Skepticism and Freedom: A Modern Case for Classical Liberalism*, is no exception. In the first third of the book, he reviews freedom's foundational meaning and its classical liberal justification. In the next two thirds, he tackles some recent challenges to classical liberalism. Throughout, Epstein displays his signature deftness at negotiating from first principles to specific applications and back again.

FREEDOM'S FOUNDATION

Although no longer as skeptical as he was in his youth about consequentialism, Epstein continues to found his case for freedom on natural law. But his natural law is no brooding other-worldly omnipresence. Instead, it evolves out of real-world situations and takes human nature and the world we inhabit as they are. It is the utilitarian-inspired

Epstein—for 30 years now a professor of law at the University of Chicago—probably is the world's leading living philosopher of freedom (under the age of 91)

natural law of Henry Hazlitt (whom Epstein does not cite) and of Randy Barnett (whom Epstein cites briefly but inadequately). What does this natural law command? If the goal is maximum and widespread human flourishing and prosperity, then the following are the foundational requirements:

- individual autonomy, or self-ownership;
- private property rights with initial ownership established by the

rule of first possession;

- contract; and
- protection against the initiation of aggression.

To those foundational features, Epstein adds three less obvious (and less liberal-sounding) rules, all stemming from cases of what, in Anglo-American law, is known as necessity. Necessity softens otherwise strict property rights protections, often justifying the replacement of contract with the practice of 'take and pay'.

First, take and pay is usually justified in dire emergencies in which negotiations are impractical. The classic case is the sailor who, surprised by a violent storm, secures his boat to a dock without the dock-owner's permission. As long as the sailor compensates the dock owner for any losses the owner suffers because of such emergency dockings, the law does not and should not require the sailor who is at imminent risk of losing his life to first to get permission before docking. Second, government must tax and sometimes even use powers of eminent domain to acquire the resources necessary to supply genuine public goods (of which, of course, national defence is the most potent example). Third, government must actively police against private monopolies.

The dire emergency exception to the work-a-day rules of property rights and voluntary contract is clearly justified. Only the most wooden 'libertarian' would have the law permit a dock owner to deny the safety of his dock to a boat caught in a deadly storm. But the second and third exceptions are less obviously justified. This review is not the place to join the debate on the feasibility of a purely voluntary, stateless society. Epstein has a powerful point when he reminds his readers that states are ubiquitous in time and space. That fact surely conveys a great deal of relevant information. So let us not argue here with Epstein's case for taxation. But eminent domain is quite a different matter. The only justification Epstein offers is the

standard argument that government cannot let vital projects be held hostage to private owners who might withhold their property. He, no doubt, imagines the highway or airport that would get built but for the recalcitrant grandmother who refuses to sell her family farm, either because she truly does attach an enormously high sentimental value to the homestead or because she is strategically holding out for an absurdly high price.

While it is easy to imagine such problems, I doubt that they are significant enough to entrust politicians with the power to take private property, even if politicians follow Epstein's sound advice on when to pay for whatever properties are taken. America is planted thick with housing developments on large contiguous plots of land. Private developers manage to assemble those tracts without eminent domain. The Walt Disney Company purchased 30,000 contiguous acres of land in central Florida for its amusement park and resort. That is an area twice the size of Manhattan. With skilful contracting manoeuvres—for example, buying each plot of land contingent upon the successful purchase of all other plots of land necessary to build the road or airport—a government intent on serving the public should be able to do its job without powers of eminent domain.

Epstein's case for active government policing against private monopoly power is even less persuasive. His presumption is that, in markets, monopolies arise with sufficient frequency and durability to justify antitrust legislation. That presumption, of course, is widespread—even at Epstein's home institution, otherwise famous for its confidence in the reliability of markets. But the only evidence he provides is the fact that the common law refused to enforce contracts in restraint of trade. Indeed it did. But it is too long a leap from recognizing the potential wisdom embodied in this common-law rule (and in a few other related ones, such as

those imposing special duties and restrictions on common carriers) to the conclusion that active state policing against monopoly power is justified. I know of no compelling evidence that private monopoly power is a problem in reality; I know of plenty of compelling evidence that antitrust statutes have been abused by plaintiffs to thwart competition. Therefore, a useful simple rule for our complex world is to abandon all statutory efforts ostensibly aimed at protecting consumers from monopolies in markets.

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BEHAVIOURAL ECONOMICS, LAW AND LIBERTY

Given the scope and depth of this book, the foregoing is nit-picking an eloquent, powerful, and persuasive case for classical liberalism. Especially welcome are the final three chapters on behavioural economics.

The case for classical liberalism is sometimes made inappropriately. A chief example is objecting to government intervention on the grounds that it is unnecessary because individuals are hyper-rational—that is, so rational as to be immune to systematic error in perceiving and judging reality.

Properly understood, individuals are rational. But contrary to the impressions left by some writers, everyone this side of the grave has

emotions and psychological traits that cause actual perceptions and choices to differ often from what most reasonable standards hold to be accurate and wise ones. In 2002, Daniel Kahneman, a professor of psychology at Princeton University, shared the Nobel Prize in Economic Science (with my colleague Vernon Smith) for his pioneering work on how real people differ from the *homo economicus* of economists' models. This work in 'behavioural economics' is both interesting and important. But because the strongest case for liberalism does not rest on the assumption that people are hyper-rational, discovering and cataloguing the many ways that individuals deviate from hyper-rationality does surprisingly little damage to liberalism's rationale.

Perception and decision-making biases do exist, but they often cancel out when decision-making is decentralized, are minimized by specialization, are further minimized by the market's concentration on each decision-maker of the benefits and costs of any decision, and have especially great potential to wreak widespread damage when they distort collective decision-making processes. Epstein successfully argues that the best of behavioural economics strengthens the case for classical liberalism.

The three chapters Epstein offers on behavioural economics alone make the book well worth reading. But you must read the entire volume. It supplies a masterful analysis of classical liberalism and of the most potent current ideas that threaten to undermine it.

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**Richard Epstein will be giving
a talk at the IPA in
Melbourne later this year**

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REVIEW