

'On the Future of Conservatism: A Symposium', Commentary, February 1997.

These fifteen short pieces were invited in response to an acrimonious and inflammatory public debate which surfaced in the US last year. There was talk of 'the reversal of the conservative revolution', of a fatal divergence between 'economic conservatives' and 'moral conservatives', and even some rhetoric about 'the end of democracy'. In contrast these commentators are moderate and restrained. For example, Peter Berger points out that there never was a conservative revolution in the first place.

Robert Bartley, editor of the *Wall Street Journal* is generally positive, though he signals: 'The great frontier for the conservative tide is of course the culture. The media, the creative arts, and the universities are still dominated by the adversary culture establishment'. He considered that self-fulfilling pessimism was a great danger to avoid.

Norman Podhoretz is even less dismayed than is Bartley by the Presidential election. 'Bill Clinton won the presidency by running not as a liberal but as a conservative'. Moreover, there was no turn to the Left after the election. Podhoretz plays down the alleged split between the economic conservatives and the moral conservatives, and instead examines obscure differences of ideological orientation between Jewish 'neocons', Straussians, Thomists, etc.

Some contributors identify the perennial concern of market liberals (classical liberals or Hayek's 'old whigs') deploring the yearning for state regulation which authoritarian conservatives share with the Left. And some, dismayed by the collapse of family life and civil order, wonder what will be left to conserve when, if ever, conservatives manage to arrest the trends of social policy over the last thirty years.

Helen Wilkinson, 'New Kids on the Block', *Demos*, 9/1996.

Wilkinson looks at a problem that is more distressing the more closely it is examined – the collapse of morale and social integration among young people who are out of work for long periods. Unemployment tends to go with fewer friendships and less participation in conventional social activities including membership of clubs and societies. This is not surprising because most social activities and memberships cost money. Besides, the socially integrating effect of employment has long been obvious, quite apart from providing the wherewithal for more convivial pursuits.

The problem is most intense for young males who have lower levels of informal social support than do young women. It is

especially difficult when the young men are single, a status that many regard as semi-permanent for economic reasons.

Some young people, fortunately a very small minority at this stage, resort to violence and crime, thus providing ammunition for moral crusaders to call for curfews, tagging and the like. Wilkinson has no time for conservative or coercive responses to curb unruly youth. She claims that the more 'positive responses' are not properly tailored to local cultures and she points to recent work on differences in the ethos of the unemployment youth sub-culture. At Rainham they articulated a strong sense of exclusion 'Why do they want us in the community? We're criminals'. In Burnham a respondent expressed a strong sense of belonging to community – not the mainstream but 'You don't want to be in a community where everyone's the same'

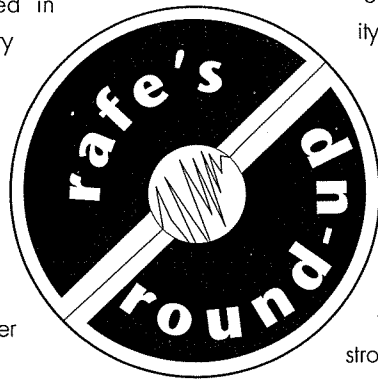
Unfortunately Wilkinson did not indicate what kind of positive responses might work. Consequently this is another paper that is strong on description but weak on prescription.

David Lee, 'Editor's Letter', *Art Review*, February 1997.

Those who are sceptical of public funding for the arts will enjoy David Lee's running commentary on the dispersal of grants by the British Arts Council. He points out that certain artists and event grade galleries featuring politically correct and fashionable lines of work take out the lion's share of the grants. Meanwhile the galleries which provide the more mixed fare which most people want to see pick up crumbs from the table of Arts Council largesse. The self-sustaining corruption of the 'public' arts bureaucracy is especially obvious in the selection of buyers for the Arts Council collection, both in their narrow and predictable tastes and the limited number of people who keep turning up to serve their three year terms as buyers.

The director of visual arts at the Council went to the extraordinary length of writing to the London *Evening Standard* to contradict Lee's report on the funding handed to a particularly favoured artist (David Bailey) in a single year (1995/96). Further research quickly revealed that Lee's initial claim (£35,000) fell far short of the total that Bailey had received from the council itself (£51,000) not to mention a further £12,000 in the same year from the London Arts Board (funded by the Arts Council). Lee writes 'What public funding in the visual arts has achieved since its introduction in 1964 is the feather-bedding of a fat layer of mediocrity which previously didn't exist'.

Rafe Champion



David Lee, 'Editor's Letter', Art Review, April 1997.

In the closing stages of the recent British election campaign Lee wrote that art is a mere trifle compared with the real issues of British politics such as the crisis in health, homeless people and the fact that teachers cannot spell. However for a very small number of people, art is very important, especially the art that is sustained by government funding: One would normally write 'sustained by public funding' but the public are overwhelmingly not interested in the art that they are obliged to fund out of their taxes by way of the Arts Council. In contrast, Lee reports that people are becoming more and more interested in the displays that are available at the run-of-the-mill traditional galleries and museums.

Over 4 million people a year visit the National Gallery but so-called 'cutting edge' art is increasingly held in contempt by many ordinary folk. Unfortunately, up to date there is merely apathy towards the trendy products of the artists funded through the Arts Council and this apathy 'has allowed the institutions of contemporary art to continue (mostly with arrogant complacency) to prosecute their lazy, sleazy little prejudices ... Any dissenters from the official line are demolished as either eccentric or philistine'.

Among the sins of this self-serving elite are the generous funding of particular organisations which are usually headed by former employees of the Arts Council, large grants to chosen artists who are often rich enough to do without them, funding of expensive but small circulation magazines and soliciting public nominations to its advisory panels while ensuring that the appointees are 'safe nonentities who can be relied upon not to slow down or derail the gravy train'.

John O'Sullivan, 'After Reaganism', National Review, April 21, 1997.

O'Sullivan takes conservatives to task for being too slow in matching the shifting positions of radicals who have nimbly moved on to map out new directions to Utopia. 'The Left ought to be more confused than the Right by the ideological flux of the post-Cold War world [but] it is moving more quickly to redefine the ground rules of the new political game'. This game, as O'Sullivan calls it, is the disintegration of existing society and the replacement of traditional relations with bureaucratic management. He examines this process at work in three areas – the economy, social and moral issues, and the national question of cultural or political identity.

The economy is undermined in the interests of consumer protection, workplace safety and the environment. He notes some estimates of the opportunity cost of clean-air and clean-water regulation (6 per cent of GDP) and affirmative action (4 per cent of

GDP). 'A billion here, a billion there, and pretty soon you're talking about real money'. But beyond the dollar cost is the agenda of control, bringing industry under bureaucratic control without the responsibility or the bother of owning it – 'what might be called "socialism without tears"'.

Concern for the environment has extended to indoctrination of school children with a quasi-religious obligation to the earth or Gaia which is higher than the long-term interests of the human race. O'Sullivan points out that this gives the interventionist Left a whole host of silent constituents who cannot answer back, namely, the environment and the beasts. 'Listening to Al Gore one wishes that the animals really could speak. It would be interesting to hear the candid opinion of the sloth on welfare, of wolves on foreign policy, and of the cuckoo on family values'.

In the moral domain the Left first discredits the values of traditional society (duty, fidelity and chastity) which help society to work without close bureaucratic supervision, then tries to resolve the resulting moral problems by law and regulation. At the level of national identity, O'Sullivan finds the greatest threat of all in the multicultural agenda, apparently aimed at the disintegration of the American people into a babble of contending interests. According to this agenda, the ancient symbol of failed communication, the Tower of Babel, becomes the Utopian dream.

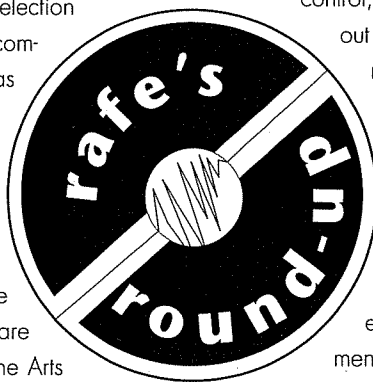
Andrew Greeley, 'The Other Civic America: Religion and Social Capital', The American Prospect, May 1997.

Greeley claims that religion can indeed be a source of social capital, in this case, by encouraging people to contribute their time (unpaid) for worthy causes. He drew upon two studies of volunteering in 16 countries, carried out in 1981 and 1991. The United States led the way, with 47 per cent of the population reporting some form of volunteer activity. Canada came close behind, with the rest of the field well back, between 20 and 30 per cent.

'The North American countries, often dismissed as selfish and materialistic, are the most likely to have higher rates of voluntary service, and those rates rose in the 1980s while they remained stable in Europe. This generous, religiously driven "habit of the heart" makes a major contribution to the economy and the general welfare of the country'.

It was not hard to identify the characteristic which was most often associated with volunteer activity – religious affiliation. But despite this, US commentators rarely note the integrative effect of religion and prefer to see religion as exacerbating conflicts.

Rafe Champion



**Stephan Shakespeare, 'Old Britain, New History',
The Spectator, 11 October 1997.**

Shakespeare suggests that the road to New Labour and its electoral success in Britain was the New History that rules in school history texts. For example a chapter heading 'Britain: A Trading Nation', is illustrated by a picture of a tortured black man, a close-up of rotted teeth, a cluster of cowrie shells and an order for rum. The statement of aims for the chapter reads 'You will see how Britain rose to be a leading trading nation... This unit concentrates in particular on the slave trade'. With this foundation in place the depiction of the Industrial Revolution is quite predictable, with the final summary noting that 'the Industrial Revolution increased the gap between the rich and the poor'.

In 'Presenting the Past: Rulers and Rebels', the death of Wat Tyler is illustrated with a photo of Arthur Scargill, somewhat the worse for wear after a confrontation between police and a picket line in 1984. A textbook for 12-year olds presents three quotes about the French Revolution; the exercise is to match the quotes to three photographs – Goebbels, Gorbachev and Thatcher. Shakespeare concludes that the result will be to plant the idea that the three are more or less interchangeable.

According to Shakespeare, opinion polls found that the youngest voters at the last election were the most anti-Conservative. 'No wonder. After 11 years of compulsory empathy lessons in school, only the hardest-hearted of youngsters could remain untouched by promises of a more caring society'

**Janeen Baxter and Mark Western, 'Women's Satisfaction with the Domestic Division of Labour',
Family Matters, Winter 1997.**

Despite the mass movement of women into the workplace in our times, the division of labour in the household has not changed very much at all. Still, both men and women, for the most part appear to be undisturbed by this state of affairs. Typically, a US survey found that 67 per cent of men in the sample and over 60 per cent of the women felt that the division of household labour is fair. Three explanations are offered for this perception on the part of women (no elaborate explanation is required to account for males' acceptance of their limited involvement in indoor household duties.) The first explanation is the relative lack of power and resources available to women, the second is role ideology (brainwashing, in unvarnished terms) and the third is the part-time nature of much female employment. The third explanation has a great deal of credibility because the research shows that the longer the hours that women work, the more they resent their major share of the domestic chores

Baxter and Western report the findings of a nationwide survey in Australia conducted in 1993. The familiar pattern emerged, with married men undertaking about 16 hours of housework per week compared with 38 hours for married women. Despite this, less than 15 per cent of women reported dissatisfaction with the organisation of housework and child care. It appeared that the vital factor in reconciling women to the imbalance of work was the willingness of their partner to participate in the indoor chores, not just the traditional outdoor activities such as mowing and maintenance.

**Alan Wolfe, 'The Moral Meanings of Work',
The American Prospect, September-October 1997.
<http://epn.org/prospect/34/34wolff.html>**

This article examines the state of the debate over the meaning and future of work, drawing on over a dozen significant books, among them the second edition of a minor classic, *The Cultural Contradictions of Capitalism* by Daniel Bell (1976/1996). Wolfe's main theme is the important role of work as a social and moral anchor in people's lives, and he notes the array of forces, from ideology to technology, which undermine that role and subvert a proper appreciation of it.

Bell, ruminating on the Protestant ethic, arguably a key factor in the rise of capitalism, suggested that it may have gone into decline much earlier than was previously suspected. Even at the height of the first capitalist revolution, opulence was apparently a serious concern for the bourgeoisie. 'Bell points to the attraction of [middle class] intellectuals to postmodernism as evidence of how adversarial to productivist values the oppositional culture of bourgeois society has become ... In such a society, not only is it hard to find moral meaning in work, it is hard to find moral meaning in anything'.

Jeremy Rifkin argues in the tradition of Herbert Marcuse that work has to be practically eliminated to deliver true freedom. He aspires to a work-free world where people will truly enjoy leisure. 'Fantastic amounts of energy will be released for community endeavours to restore America's dwindling 'social capital''. This proposition can perhaps be tested by examining the lives that are lived by people at present who for one reason or another are freed from the dreary and soul-destroying round of daily employment. Consider the unemployed, lottery and pools winners, hugely successful punters or investors, and, last but not least, the idle rich. How many of these people have found that their energies have been released for community endeavors to build our dwindling store of social capital?

Rafe Champion



Peter Beinart, 'The Nationalist Revolt,' *New Republic*, 1 December 1997.

According to Beinart, the Congressional defeat of Clinton's right to 'fast track' trade negotiations (viewed as a free trade initiative) signals a major shift towards protective nationalism in US politics. The leadership of both parties has advocated free trade in recent times but the popular support for the isolationism of Ross Perot and Pat Buchanan has triggered a bipartisan reaction, not so much in the leadership, but among the new members of Congress elected during the 1990s.

'At the grassroots, Democratic support for free trade practically no longer exists. Among Republicans, it is quickly diminishing, as protectionism increasingly becomes part of the bundle of principles that constitute the ideology of the American conservative movement.'

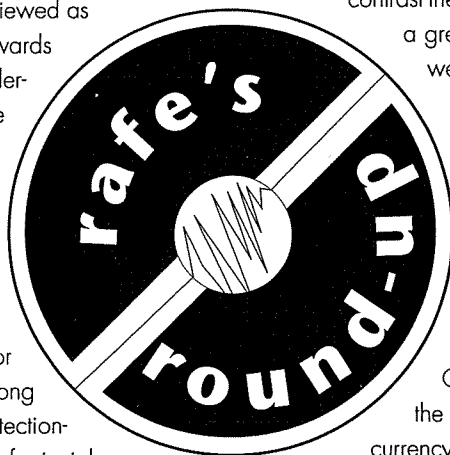
Free trade in the Republican party is one of the casualties of the process of rebuilding the Reagan coalition, with economic nationalism as one of the bricks in place of Cold War anti-communism. Trade protection is seen as supporting US sovereignty against outside forces that erode it, such as the United Nations and its treaties and conventions. There is also a 'green' component of the opposition to free trade and fast tracking, with a number of mainstream conservation groups following the lead of left-wing groups such as Greenpeace and the Sierra Club.

Milton Friedman, 'The Fix is Out: Fixing exchange rates is not necessarily the way to solve economic problems,' *National Review*, 24 November 1997.

Friedman examines the recent Asian meltdown and the ongoing European debate over the common currency against the background of 'a long series of similar crises dating back at least to Diocletian.' Part of the problem is the need for governments to subject themselves to fiscal discipline. Once the price of the currency was fixed against an external asset such as gold or silver; however, governments, including that of Britain in 1797 and 1914 and the US in 1862, rebelled at the external discipline and initiated major inflations for military expenditure.

The other part of the problem is the need to adjust rapidly to changing circumstances, which can be difficult with fixed exchange rates. In Asia, where the currencies were fixed against the US dollar, there was a 1993 divergence in inflation rates as the US rate went down to 2% or 3% while the Asian rates persisted near 6%. Governments such as Thailand tried to keep the currency up while major currencies outside the region devalued against the US dollar. The terms of Asian trade shifted and precipitated balance of payments problems.

Friedman's point is that fixed exchange rates can transmit violent shocks from one region to another. He compares the



prospects for a common currency in the US and Europe. The common currency works inside the US because there is a common language and culture and a great deal of flexibility, while in contrast the European nations have different cultures and a great deal of rigidity in trade, wage-fixing and welfare systems. Hence the consequences of the 1992 crisis in the European Monetary System, when France suffered double-digit inflation by persisting with the link to the German currency, but Britain and Italy achieved lower inflation and unemployment and stronger growth with floating exchange rates. Friedman notes that sub-groups of the European community such as Germany, Benelux and Austria approximate to the conditions that are favourable for a common currency.

Katherine Wilson, 'Confirming Prejudices, Validating Fears,' *Art Monthly Australia*, March 1998.

Katherine Wilson offers an extended critique of almost three years of weekly reports by Giles Auty, the national art critic on *The Australian*. As a man of definite opinions he has aroused strong feelings, both for and against his points of view. On one side he is accused of negativity regarding Australian art (and Australian culture generally), and towards modern tendencies in the arts. He is also accused of favouring a small number of conservative artists whom he happens to like, and of not giving fair exposure to others of a more contemporary, 'cutting edge' nature.

On the other side, people applaud his contribution to the local discussion of art. He has done this by the strength of his historical references (inevitably, mostly to European works), his appreciation of sound basic teaching in drawing and the craft of painting, and his trenchant denunciation of the tedious and self-indulgent fabrications that are offered under the heading of 'installations' and 'conceptual art.'

Even Wilson allows some positives: 'Auty's tireless campaign for more accessible and enduring art, his arguments against the indigestibility of catalogue "artspeak" and this interrogation of the integrity of much conceptual art, are useful contributions to debates about art, and might well elicit the sympathy of many readers.' But there's the trap! These readers will find that Auty has validated their secret fears instead of engaging their imaginations!

Interestingly, there is no mention of any other critics who allegedly do a better job. Wilson has made this analysis partly to assist dealers and others in the trade who are not prepared to speak out in public to criticise Auty in case he damages their trade by critical commentary in retaliation. The article concludes that we may need to direct our concerns about the malign influence of Auty to the senior management of *The Australian*.

Rafe Champion

Walter Olsen, 'Family Planning,' Reason, March 1998.

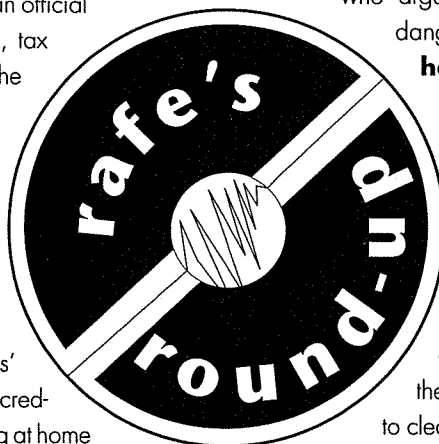
This article points up the tendency of well-meaning social interventions to produce perverse outcomes. Olsen notes that the American right has been winding up for an official 'pro family' policy in the form of spending, tax concessions or law reforms to encourage the traditional family structure. The 1997 Francis Boyer lecturer at the American Enterprise Institute, James Q. Wilson, used the occasion to launch a five-point program to save the family. Some of the ideas Wilson advanced were not new – easier adoption, early intervention in disorganised young lives – but one item stood out. A 'GI-Bill-for-mothers' scheme would allow mothers to accumulate credits towards free university education by staying at home to mind their young children. This raised some eyebrows. What has a universal benefit of this kind got to do with helping the underclass? Like free university education, surely it would be the middle to upper classes who would make the most use of the scheme.

Emblematic of the likely effects is Olsen's scenario at Pricey University. In the front row of a lecture for Media Studies I there is 25 year old Alice, there free of charge because she gave birth when she was 18. Then Beth, whose parents are writing out cheques because she wants to wait to have children after her education. Then Rafe, who was never in the running. 'Meanwhile, social life at Pricey U has fizzled because half the women are 8, 10 or 15 years older than nearly all the men.'

Peter M Sandman, 'Behaving Dangerously,' Australian Quarterly, March-April 1998.

Sandman is an expert in public relations, especially in the delicate art of maintaining the image of a corporation when something has happened that is likely to promote public outrage. Massive oil spills by supertankers come to mind. The natural history of a risky controversy typically passes through four stages. First, **ignore them**, when a group or watchdog of some kind identifies a hazard. Stage two is to **bury people in data**. This is usually seen as an attempt to make critics look foolish and only stimulates them to greater efforts. Then, **attack their motives**. If they are professionals, label them mercenaries, if amateurs, ignorant, if on the right, call them fascists, if on the left, call them radicals. Again, this is likely to be counterproductive so it is time for top management to step in and **give them what they asked for**. Unfortunately by this time the issue has changed in character from a hazard problem to an outrage problem.

The function of outrage management is to attack the outrage from the start instead of wasting time, and eventually money, on



strategies which only fuel outrage. 'Better yet, predict and prevent the outrage.'

Sandman identifies six key strategies for this task. **Stake out the middle**. Instead of arguing 'perfectly safe' against people who argue 'terribly dangerous,' go for 'moderately dangerous.' **Acknowledge prior misbehaviour** (repeatedly). The more often and abjectly we confess the sins of the past, the sooner others will decide it is time to move on. **Acknowledge current problems** (dramatically). The expectation of lies and distortion will make it very hard to 'spin' the story. So take away one of the causes of sustained outrage by 'coming clean'. **Discuss achievements** (with humility). Allow the critics and activists to think that your strategies to clean up the mess were precipitated by them, not by your own natural goodness. If you claim the latter you will not be believed, and outrage thrives on mistrust. **Share control** (and be accountable). Accept the role of 'third party' regulators and monitors. **Pay attention to unvoiced concerns**. Unspoken concerns can end up being the most damaging to the outrage-control effort. Find ways to bring them to the surface.

Marc Law and Jason Clemens, 'The Life Cycle-Permanent Income Hypothesis: How We Spend,' Fraser Forum, January 1998.

Law and Clemens explore one of Milton Friedman's contributions to the dismal science. It is a theory which claims that spending and consumption are not directly related to current income but take account of an estimate of lifetime wealth. Further, someone's 'permanent income' is defined as the annuity value of their lifetime wealth.

For example, Bob, on \$40,000 per annum will earn approximately a million dollars in his working lifetime. This might purchase an annuity paying \$35,000 over his entire lifetime. According to the theory, Bob's current expenditure will reflect an income of \$35,000 rather than \$40,000. But of course income tends to follow a humped curve, starting low, peaking in the later working years and then declining sharply. Expenditure patterns do not follow the same trajectory – typically younger people run up debts, pay them back later in their working life and again draw down on the assets in old age. Consequently spending patterns deviate quite a lot from current earnings, with a tendency to balance out over a lifetime.

Friedman's theory dates from the 1950s and it would be revealing to analyse how consumption patterns are being influenced by the greatest transfer of assets in history, by inheritance, which is under way at present.

Rafe Champion

Charles Lane , 'Boxed In,' *The New Republic*, April, 1998.

A few years ago some of the conservatives writing in *Quadrant* were boosting the Japanese economic miracle as the very model of modern economic management and a standing reproach to market liberals and free traders. Round about the same time Japan went into recession and has yet to emerge from it. The new Prime Minister has promised to do whatever needs to be done to turn the ship around, but Lane doubts that Japan has the kind of political culture that will enable the PM or anyone else to 'think outside the box' of tradition to make his promise a reality.

Lane suggests that the façade of Japanese efficiency concealed the shocking reality that the political and economic fabric was riddled with corruption. The 'seemingly magical consensus' between government and industry turned out to be 'nothing more than an interlocking system of interest-group payoffs.'

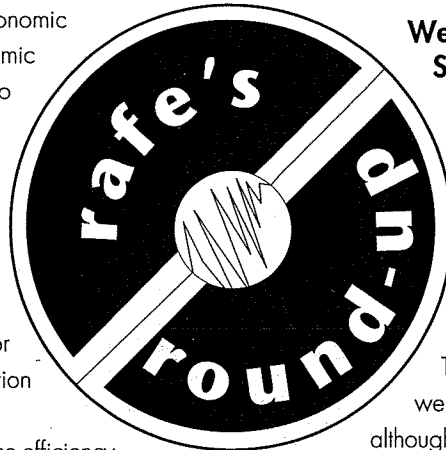
Faced with prolonged recession and a mounting sense of crisis, the real problem is a lack of leaders who have genuine faith in the free thought, free trade and the seemingly strident and discordant political debate that occurs in genuine democracies. Lane finds these qualities in abundance in the US where economic growth is high, unemployment is low, crime is being slashed, vast industries deregulated, the federal deficit seriously tackled, and welfare dependency reduced. 'While Japan has dithered, the US has been finding solutions to many of the country's longstanding social and economic ills.'

Sam Kazman, 'The Mother of all Food Fights,' *Competitive Enterprise Institute Update*, May 1998.

Kazman suggests that there would be blood in the streets if the federal government tried to regulate the food served in restaurants. 'Vegetarians would be fighting with meat-eaters, Jews and Moslems would battle pork fanciers, teetotalers would have at it with imbibers.' The US Department of Agriculture almost precipitated this kind of situation when it attempted to impose rules for labelling organic foods. The proposal drew a record 200,000 comments.

The problem was to work out whether it would be permissible to put the 'organic' label on such things as genetically modified foods, irradiated meat, and livestock raised under confined conditions. Kazman points out that for many people organic foods are a part of a lifestyle that has immense significance, on a par with religion itself. Under these circumstances private certifying agencies have sprung up, and Kazman suggests, who needs a state bureaucracy to blunder into the fray, unless it is content to be one

among many certifying agencies? The virtue of diversity in this situation is that people can not only pick their chosen food, they can pick the agency that certifies their chosen food as well.



Wendy Kaminer, 'The Trouble With Single-Sex Schools,' *The Atlantic Monthly*, April 1998.

Kaminer argues that the schools and colleges for girls of a hundred and fifty years ago played an important role in the emancipation of women, but in modern times single-sex schools are more likely to hasten a revival of separate gender roles.

The first female academies of the early 1800s were not designed to promote social change, although they did so by producing a rise of female professions and contributing to a mood of restlessness with domesticity. In the words of a president of Bryn Mawr 'Our failures only marry.'

For a long time single-sex education was not really a matter of choice but by 1900 coeducation was becoming the norm. By that time more girls than boys were graduating from high school and in 1910, among the 1083 colleges of the nation, 27% were men-only, 15% were women-only and 58% co-ed. Since then more male bastions have fallen, with women even in the military academies. Still, there is a body of feminist thought which argues that co-ed schools are bad for the self-esteem of girls and discourage their aspirations, especially in science and maths.

Segregated schooling can only occur in the private sector in the US due to anti-discrimination law, and this situation has produced strange outcomes in some places where single-sex public schools have been attempted. In Detroit there was a proposal for three public schools for Negro males as a response to high dropout rates and other signs of low morale in that group. This was blocked by court action by feminists, civil rights groups and parents of girls in the public schools. A 'dog in the manger' attitude, one might comment. In New York the East Harlem Girls' School has been more durable despite attempts by the usual suspects to close it down. It serves Latinos from poor families and its supporters have denounced the opponents as upper-middle class meddlers, out of touch with the needs of less affluent minorities.

Kaminer argues that the case for single-sex schooling ignores the anti-feminist 'feminising' that tends to occur in them, and is based on simplistic analysis of the outcomes of different systems. However it is hard to go past the notion that parents and students should be able to choose their mode of schooling, if the Supreme Court had not chosen to deny them the right to place their children in single-sex public schools.

Rafe Champion

Sheldon Richman, 'The Seen and Unseen in Gun Control,' *The Freeman*, October 1998.

Richman draws from the lesson taught by Frederic Bastiat on the need to consider the unseen consequences of policies and events, not just those that are apparent. Consider a broken window. This creates revenue for the glazier, which would appear to be an economic good (and a boost to the GNP). But that is only half the story; the other is the unseen cost to the window owner who has to spend money on repairs instead of in some more enjoyable or productive manner.

What are the visible and invisible factors in gun control? The visible factors are the murders and massacres which prompt the demand for stricter controls, also the cases where applications for gun licences are rejected, which probably count as a plus in the eyes of controllers.

The invisibles are all on the other side of the argument. They include the inconvenience and delays for permits for legitimate gun ownership. More to the point in Richman's eyes are the unseen victims, people who might have been saved from criminals if they had been able to use firearms for defence. Richman cites a figure of two and a half million cases per annum of defensive use of firearms, often without discharge of the weapon. He notes that some of spectacular mass shootings were terminated by defensive use of a weapon and might have been terminated earlier if more people at the scene had been armed, not just the assailant.

Virginia Postrel, 'Nailing Down Employment: The economic significance of the manicure,' *Straight Thinking*, Issue 20.

The author disputes the prognosis offered by conservatives of left and right regarding the future of work and employment in the US. Technology is supposed to be destroying employment and pessimists wail 'We can't all be computer programmers' while others (Jeremy Rifkin in *The End of Work*) call for punitive taxes on frivolous industries such as entertainment.

Postrel describes the meteoric rise of cut-price nail salons which have moved filing and false nails from the domain of the rich and pampered to a mass market. This has eluded the notice of the Bureau of Labor Statistics which counts 35,000 manicurists and projects 55,000 by 2005. Manicurists are licensed in most states and the licensing boards track 235,000 active 'nail-jobs'. The BLS has carelessly mislaid almost 200,000 workers! Postrel comments 'imagine how wrong they can be about gardeners, car washers, massage parlour workers or other non-union jobs.'

Part of the key to success of the stand-alone nail clinics is modern acrylic materials. These are cheap and effective, aiding the repair of bitten nails, making the nails smooth and even, hold

polish better and permit the Dragon Lady look. The materials were invented by a dentist, in his garage, after a patient who was a manicurist noted the smell of his materials and complained of the low quality of the acrylics she was trying to use. Electric files halve the time required for a trim. After the new materials and technology came discounters and competition in the marketplace. People can obtain a licence with 400 hours of schooling and only a few thousand dollars of capital are required to open a shop. With proliferating salons the benefits of technology pass to the consumers, both in cost and quality of service.

All of this is girl stuff and it does not speak to the concerns of economists and commentators who are stuck on job losses in steel and the auto industry. But it does speak to the condition of future employment by small business and the self-employed in the service industries.

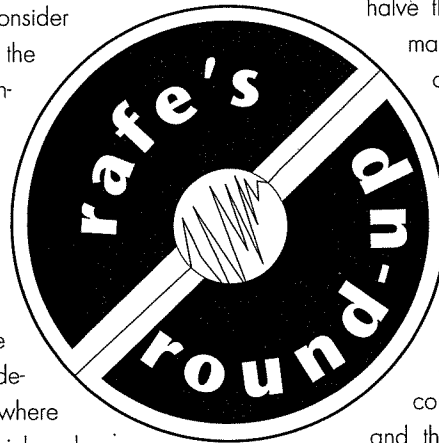
Trang Thomas, 'The Great Wall of Racial Divide,' *Australian Quarterly*, September-October 1998.

The editorial commentary on this article states that it examines why, in parts of Australia 'we are once again instinctively revealing our latent racist tendencies.' This impression is somewhat undermined by the opening statement that Professor Thomas does not personally experience enough discrimination or harassment to worry her or have any impact on her well-being. The article does not provide any substantial evidence that racism, allegedly associated with One Nation and its supporters, has been on the rise lately.

Racism is a particular form of intolerance, and if we focus on intolerance as the fundamental evil then many of the opponents and critics of Pauline Hanson have a lot to answer for. Professor Thomas writes 'The right to free speech does not absolve those in the political process from the responsibilities of truth, clarity and verification. The onus is on the speaker to prove his credibility.' This of course includes the media and others who lambasted Prime Minister Howard for not being more active in attacking Pauline Hanson and One Nation. These folk might have achieved more credibility if they had publicly denounced the organised thuggery that disrupted One Nation functions.

The most worrying feature of the One Nation episode up to date has been the licence that the critics have given themselves to abandon good manners, truth and commonsense. This has been done in the name of high principle, by people claiming the moral high ground as the voices of good will and sweet reason. They have also spread their message overseas, promoting the destructive illusion that Australia was on the verge, or maybe even in the grip, of racist hysteria.

Rafe Champion



Sheldon Richman, "The Seen and Unseen in Gun Control", *The Freeman*, October, 1998.

Richman draws from the lesson taught by Frederic Bastiat on the need to consider the unseen consequences of policies and events, not just those that are apparent. Consider a broken window. This creates revenue for the glazier, which would appear to be an economic good (and a boost to the GNP). But that is only half the story; the other is the the unseen cost to the window owner who has to spend money on repairs instead of using it in some more enjoyable or productive manner.

What are the visible and invisible factors in gun control? The visible factors are the murders and massacres which prompt the demand for stricter controls, also the cases where applications for gun licences are rejected, which probably count as a plus in the eyes of controllers.

The invisibles are all on the other side of the argument. They include the inconvenience and delays for permits for legitimate gun ownership. More to the point in Richman's eyes are the unseen victims, people who might have been saved from criminals if they had been able to use firearms for defence. Richman cites a figure of two and a half million cases per annum of defensive use of firearms, often without discharge of the weapon. He notes that some of spectacular mass shootings were terminated by defensive use of a weapon and might have been terminated earlier if more people at the scene had been armed, not just the assailant.

Virginia I Postrel, "Nailing Down Employment: The economic significance of the manicure", *Straight Thinking*, Issue 20.

The author disputes the prognosis offered by conservatives of left and right regarding the future of work and employment in the US. Technology is supposed to be destroying employment and pessimists wail "We can't all be computer programmers" while others (Jeremy Rifkin in *The End of Work*) call for punitive taxes on frivolous industries such as entertainment.

Postrel describes the meteoric rise of cut-price nail salons which have moved filing and false nails from the domain of the rich and pampered to a mass market. This has eluded the notice of the Bureau of Labor Statistics which counts 35,000 manicurist and projects 55,000 by the year 2005. Manicurists are licenced in most states and the licencing boards track 235,000 active "nail-jobs". The BLS has carelessly mislaid almost 200,000 workers! Postrel comments "imagine how wrong they can be about gardeners, car washers, massage parlour workers or other non-union jobs". Perhaps the BLS is just catching up, after all, it did not even record this occupation in 1979.

Part of the key to success of the stand-alone nail clinics is modern acrylic materials. These are cheap and effective, aiding the repair of bitten nails, making the nails smooth and even, hold polish better and permit the Dragon Lady look. The materials were invented by a dentist, in his garage, after a patient who was a manicurist noted the smell of his materials and complained of the low quality of the acrylics she was trying to use. Electric files halve the time required for a trim. After the new materials and technology came discounters and competition in the marketplace. People can obtain a licence with

400 hours of schooling and only a few thousand dollars of capital are required to open a shop. With proliferating salons the benefits of technology pass to the consumers, both in cost and quality of service, and the market expands further.

All of this is girl stuff and it does not speak to the concerns of economists and commentators who are stuck on job losses in steel and the auto industry. But does speak to the condition of future employment by small business and the self-employed in the service industries.

Trang Thomas, "The Great Wall of Racial Divide", Australian Quarterly, September-October 1998.

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Andrew P Morriss, 'Does the Internet Prove the Need for Government Investment?' *The Freeman*, November 1998.

It is often claimed that the origin of the Internet as ARPANET in the US Department of Defence (DOD) demonstrates the leading role of government in seeding innovations which later become economically viable. But Morriss describes how the worldwide spread of the Internet has been achieved despite government disinterest and formidable obstacles arising from government regulations.

The early DOD-funded research did little to promote advances because the reports were locked away for years. Moreover, some of the most significant work was not part of the research contracts but was done by enthusiastic researchers who 'followed their noses' with vital developments.

Bureaucratic controls slowed progress in ARPANET. No commercial use was permitted on the network. Censorship was pervasive (and perverse). Outside DOD, in the real world, the early private network Telenet found communications companies such as Western Union ready to spend millions in legal battles to try to keep the newcomer out of business.

Morriss concedes that the research and network experience gained in ARPANET helped thousands of computer scientists get started, but the real progress and development occurred in the mix of public and private services that evolved by 1995. The drawbacks of the government network and state interference prompted outsiders to develop ways to outwit government attempts at control and censorship. Consequently the explosive evolution of the Net is a prime example of a spontaneous ordering process, where individuals who follow their own interests unwittingly benefit countless others around the world.

Sheldon Richman, 'Service Without a Smile', *The Freeman*, November 1998

The Maryland Board of Education requires students to perform 75 hours of community service before they can graduate from high school. Apparently many students are meeting the letter but not the spirit of the law. They look for quick and painless activities, or demand credit for babysitting, mowing neighbours' lawns or putting out the rubbish. Richman questions whether we should be surprised that coercive public service does not make community-minded citizens. Defenders of the scheme hope the service program will allow students to do 'meaningful work that produces tangible results, such as feeding the hungry or homeless, or bringing comfort to the

elderly'.

Richman argues that the scheme is perverse because the opportunities to do such work are always there. The real message is the ethic of compulsion – 'through force (from the State) all good things can be achieved.

No one seems much interested in how institutional coercion misshapes character'.

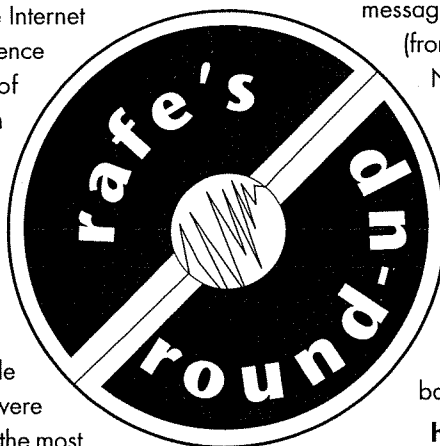
Why not allow students to start small businesses to fulfill the requirement, and learn something about the operation of the marketplace? No way! No compensation is permitted. A boy was not allowed to count his time with the scouts because he received compensation – merit badges!

<http://www.newaus.com.au> is an

Australian free market site with a strong line in 'Austrian' analysis. The authors confidently specify areas of weakness and policy failure that should have been apparent to commentators if they had not been blinded by defective theories, especially lingering Keynesian ideas.

To get Keynes in perspective they compare the trajectories of two major American crashes. First the crash of 1921, when the 1919-20 boom was replaced by a bust, with prices falling over 50 per cent in a year. As wages adjusted under fairly free market conditions, average non-farm wages fell about 10 per cent on average while unemployment rose from 2 per cent to 12 per cent. Then, over another year, output returned to normal and unemployment retreated to 2 per cent. During the next crash, Hoover boasted that government and business were working together to maintain wages while prices collapsed and profits fell towards zero. Unemployment rose steadily, then Roosevelt came to power, blamed free markets for unemployment and worked harder to maintain wages and public spending. Unemployment continued to rise, reaching unprecedented levels for several years.

Our local 'Austrians' examine the debacles of Russia and Asia in the light of Austrian theory on the business cycle. Too much money results in a boom with some money ending up in bad investments. These must be corrected during the ensuing bust, but if the lenders have government support, bad investments are not corrected and continue to block growth. As noted in a previous Roundup, in Japan the relationship between business and government is so close that it has so far been impossible to impose the full pain of adjustment. Hence a decade of stagnation, with great damage to the whole region. Of course the full Austrian analysis is more sophisticated than that, using distinctive theories on the relationships between savings, investment and interest rates, and also taking account of the time factor as changes flow through the system.



**Keith Tribe, 'Adam Smith: Critical Theorist?',
Journal of Economic Literature, June 1999.**

This is a perplexing article, taking the reader on a survey of recent 're-readings' of Adam Smith. Tribe appears to reach the conclusion that Smith's statements on the hidden hand signaled a concern for the moral order, more than a high regard for laissez faire.

'Reconstructing Smith's arguments on the basis of his language and its contexts can indeed provide us with a new Smith and a fresh understanding of his analysis of commercial society: and in the process he will certainly re-emerge as a critic, not simply of "mercantilism" or "feudalism", but also of features of a commercial society whose anatomy he has at the same time taught us how to read.'

In other words, Smith could see the possibility of merchants conspiring to undermine the interests of consumers. Also he could see that the system could break down if there is too little trust and integrity among trading partners. This point has not been lost, whether or not Smith needs to be credited with the original insights, because in recent times there has been a rise of interest in the moral framework and this is expressed in the late focus of Hayek on the function of traditional rules and codes of conduct.

On the way to his conclusion, Tribe touches on some truly disturbing readings of Smith. Some derive from the school of rhetorical analysis where evidence is downplayed and the scholarly focus shifts to the use of language and the argumentative devices that are used to carry conviction. Some of these readings are rather oblique to the usual objects of economic analysis and Tribe identifies one of these which he describes as a 'boundary marker in this new literature.' It offers brief comments on Smith mingled with discussion of recent films and works of science fiction. He comments 'One would hope there is nothing worse out there.'

**John Kleinig, 'When Zero is Number One',
Zadok Perspectives, No 63, Autumn 1999.**

On some accounts, one of which was reported in this column, zero tolerance and the attack on the 'broken windows' of crime in New York was one of the great success stories of policing in our time. Now there is a growing literature to correct the over-rosy accounts of Mayor Giuliani's clamp-down on crime. It seems that crime has been decreasing across the country due to demographic, economic and other factors such as the self-correcting retreat of the crack epidemic and the violence connected with it.

At the same time, sinister stories keep emerging on the abuse of power by the police. An innocent suspect gunned down in a hail of bullets, prolonged and sadistic torture of a suspect, the overwhelming majority of arrests being poor blacks. Part of the problem is the deeply-ingrained and systemic racism of the police, resulting in the worst incidents involving white police and black suspects.

To keep this in perspective it has to be asked whether simple, unvarnished (and criminal) police brutality can be described as a consequence of zero tolerance or 'broken window' strategies. Certainly there is no logical link, but is there perhaps a kind of linkage whereby the proactive and aggressive focus of zero tolerance provides a kind of perverse rationale for officers inclined that way to overstep the mark?

Apart from abuse of police power, there is the fact that the main impact of zero tolerance falls on poor blacks, calling for some statistical analysis of the pattern of crime and policing to find if there is bias in policing or simply a great deal of crime among blacks.

**Pat Holt, 'Anti-Drug Contradictions',
Christian Science Monitor (US), 5
August 1999.**

The United States is sufficiently large and diverse to encompass some of the best of things and some of the worst of things. One of the worst of things is the so-called 'War on Drugs' that was launched by President Nixon with a huge escalation in recent times under Presidents Bush and Clinton. Nixon's budget for the war on drugs was in the order of \$100 million. Next year the Federal tab will be \$17 billion. As someone said, you put out a billion here and a billion there and pretty soon you are talking real money. \$17 billion is real money and it is far past the point where it can be easily rolled back due to the number of empires and interests that are gaining benefits from the expenditure.

The most obvious effect of the war has been to increase the prison population to a point where new cells cannot be built fast enough to keep up. Evidence that the war has not worked to control the flow of narcotics is used to support demands for more effort and more expenditure.

Hypocrisy and double-talk abound under this regime, as would be expected in view of the old saw that truth is the first casualty in wartime. Holt identified an example of this when recent figures on the prevalence of heavy drinking among high school students prompted moves in Congress to include alcohol among the drugs whose use is discouraged by the Public Relations and Education arms of the war on drugs. This touched off a massive and largely unreported lobbying effort by the beer and wine industries to ensure that no public funds are diverted to undermine their interests. They are now defying the efforts of MADD (Mothers Against Drink Driving), the Surgeon General and the American Medical Association. The outcome remains in doubt, but whatever is decided in the halls and lobbies of Congress, the fact remains that alcohol is far and away the major drug causing death and disability among young and old.

Rafe Champion
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