

Rafe's Round-Up: A Selection of Curiosities and Comments

Rafe Champion

The Spectre of Free Enterprise

Moscow News, May 7 1989.

In the interest of showing a 'a whole spectre (sic) of opinions', this weekly newspaper prints some suggestions from a Russian group called Against Inflation. They state that the financial crisis is based on a 1985 decision to accelerate industrial growth by printing money.

'We've already printed enough paper money to buy all the goods in Western Europe, if only it would accept the rouble at its official exchange rate. The GDR and Czechoslovakia have recently forbidden our tourists to take consumer goods out of the country'.

They demand the abolition of those forms of credit which pump the economy full of paper money. Credit should be based exclusively on commercial considerations, with interest rates determined by supply and demand.

Administrative control over prices should be lifted, also the rouble should be freely convertible to find its market value. Labour productivity must be lifted at the same time to avoid depression under the influx of new money.

Different forms of ownership (including private property) should be permitted in the farm sector. Most industrial enterprises should be transferred to joint-stock partnership.

'The State Planning Committee and the Ministry of Finance threaten the radical reforms started by Mikhail Gorbachov'.

The Commission for the Future Discovers the Market

Dr Peter Ellyard 'Desirable Futures for Australia', *In Future*, April 1989.

Writing in the magazine of the Commission for the Future the new Director sketches five new projects designed to focus the resources of the Commission more effectively. These are Sustainable Futures, Creative Futures, Enterprising Futures, Healthy Futures and Australia-Japan Futures. Dr Ellyard considers that the creativity and enterprise projects should be considered together.

'Innovation depends on the fundamental levels of entrepreneurship and enterprise in a society. ... if Australia is to develop a productive culture, we need workplaces which are both more creative and more enterprising and entrepreneurial'.

He must have been reading *Moscow News*.

The New Science of Pork-Barrelling

Joseph Martino 'Pork Invades the Lab', *Reason*, March 1989.

State governments and universities in the US have begun to use hardline lobbying tactics to obtain Federal science grants. One of the plums was the Department of Energy's Superconducting Supercollider, worth almost 5,000 jobs during construction and many thousands of positions thereafter. Several states worked hard to win the prize but nobody took any notice of the scientists who argued that it was not needed at all.

Research grants are now firmly planted on the political agenda, spelling the decline of the pre-1983 'peer review' system where universities and other agencies had to compete on the scientific merits of their applications.

Now that our scientists are trying to shrug off their 'wimp' label, will they get into the game of cultivating political patronage, and where will this lead?

A Balanced View of the Budget

Joseph White and Aaron Wildavsky 'How to Fix the Deficit — Really', *The Public Interest*, Winter 1989.

'We disagree both with those who say that deficits do not matter and those who exaggerate how much they matter'.

These American authors argue that 'deficit mania' is concentrated among the elite of national experts, politicians and journalists who have made much of the deficit for political pointscoring and newsworthy statements. This distracts attention from other equally pressing problems, including those which have produced the deficit and whose correction calls for long-term effort.

'The deficit has become an all-purpose weapon, used to oppose or support virtually any position. This

is bad policy and worse analysis; it has paralysed our political system. Obsessed with the deficit, we ignore other questions'.

They reach the following conclusions, supported by arguments:

1. There is no economic necessity to balance the budget within five years.
2. The deficit persists not because of a lack of political courage but because the steps required to reduced it, whether by tax hikes or spending cuts, are difficult and produce problems of their own.
3. The strategies demanded by extreme 'responsible budgeters' are misguided and self-defeating because failure to meet unrealistic goals will undermine more sober efforts to achieve balance over a longer term.
4. The 'crisis' is partly a matter of confidence in

the finance ministries and central banks of US trading partners. They can be satisfied by signs that there is no panic, and by realistic deficit reduction.

5. They propose a reduction of \$50 billion over two years. This will lower the deficit to a figure in the order of 1 to 2 per cent of GDP. These steps should establish a trajectory to reduce the deficit and there should be no obsession with the precise figure as a percentage of GDP because fluctuations in the economy will shift this regardless of the best efforts of the administration.

'The nation's leaders should make clear that a \$50-billion reduction is a significant policy change. They could offer politicians what nobody has offered since 1982; a settlement of the budget wars'.

Policy

Obituary — Tom Kewley, OAM

Tom Kewley, a long-time member of the CIS Advisory Council, and one of the pioneers of the academic study of Public Administration in Australia, died suddenly in March at the age of 78.

For more than 40 years he was associated with the University of Sydney, first as a student and then as a colleague of Professor F. Armand Bland who occupied the Foundation Chair of Public Administration in the Faculty of Economics. His major contributions to the discipline were in the areas of social administration and public enterprise, his best known book being *The History of Social Security in Australia, 1900-1972*. (1973)

Having gained his Master of Arts and Diplomas in Public Administration and in Social Studies,

Tom Kewley became Senior Lecturer in Government and Public Administration. His overseas appointments included: Rockefeller Foundation Research Fellow at the London School of Economics and Political Science; United Nations Consultant on public enterprise in Burma; Visiting Fulbright Professor of Political Science at Colgate University, New York State; and Senior Scholar at the Institute of Advanced Projects, East-West centre, University of Hawaii. Locally, he served as a consultant and advisor to the Commonwealth Department of Social Services in the late 1960s.

Tom Kewley's contribution to tertiary education and to public policy continued until his death. Retirement from the University of Sydney in 1974 meant merely an opportunity to pursue his interests

elsewhere. At the Kuring-gai College of Advanced Education he helped develop the Graduate Diploma in Social Administration and was Director of the Centre for Social Welfare Studies from 1976 to 1978. As Kuring-gai's first Honorary Fellow, he continued to play an important role in the intellectual life of the College.

His close association with the Centre for Independent Studies for more than ten years assumed a greater significance in the past few years with the establishment of the Centre's Social Welfare Research Program. His advice on a variety of issues was often sought by those working in the Program.

We have lost a good and gentle friend.

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Hernando de Soto, 'What's Wrong with Latin American Economies? Elections without

democracy, regulations without law, a private sector without capitalism', *Reason*, October 1989.

Hernando de Soto is president of the Instituto Libertad y Democracia in Lima (Peru) and the author of an important book *The Other Path: The Invisible Revolution in the Third World*.

Only about 5 per cent of Peruvians belong to labour unions and more than 60 per cent are operating as entrepreneurs in the informal or black economy. Informal operators do not regard themselves as either the private or the public sector because they see the former as the beneficiary of privileges handed out by the latter.

The costs of entry into the legitimate private sector are prohibitive. Researchers in Lima took 289 days to register a small garment firm (it took four hours in New York City). Land titles are very hard to obtain, so people are unwilling to build anything substantial for fear of having it expropriated or claimed by tenants when titles are handed out. In the absence of land titles and other property rights, mortgage finance is practically unavailable.

The government makes 27 000 rules per annum. Bribery and the quest for favours are rampant; general managers in Lima spend 45 per cent of their time involved in politics of some kind. Practically all entrepreneurs in the formal private, including those whose businesses are in the provinces, have to live in Lima, the political centre.

Latin America is still in a mercantilist period: only those with access to political power can legally do business. Practically none of the institutions required to sustain democratic capitalism has evolved. The great problem is to find Western democrats with enough understanding of the spontaneously evolved systems that sustain democratic capitalism to provide useful ideas for the Third World.

Sydney Hook, 'Civilization and its Malcontents', *National Review*, 13 October 1989.

Serious moves are under way to politicise the study of the humanities in the United States. These tendencies are reflected in the social studies texts proposed by some education reformers. Traditional texts are to be replaced or supplemented with books composed by women, coloured people and other representatives of the 'oppressed classes'. Special courses will be provided by members of these disadvantaged groups. This amounts to a massive program of historical revisionism and cultural affirmative action.

Hook points out that these plans are based on

major errors of fact. Against the claim that the mainstream of traditional culture stifles alternative and dissenting views, Hook notes that 'Western culture has been the most critical of itself, that 'its history has largely been a succession of heresies', and that 'it has been freer of the blind spots of ethnocentrism than any other'. Against the view that Western culture exploits colonial cultures, Hook reminds us that many leaders of Third World countries learned their liberationist ideologies from liberal humanities courses in Paris and London.

The debate hinges on a blatant extension of the term 'political' to include any difference of opinion whatever. Consequently, people who suggest that history and literature texts do not need to be studied as essentially political documents are accused of covering up their own political interests in the status quo. Hook identifies this as a part of a sinister tendency to politicise the truth itself, as though truth were decided by power and influence. Unfortunately, corrective action will need to have a political dimension the radical reformers have successfully captured positions of political power and influence.

Michael Novak, 'Boredom, Virtue and Democratic Capitalism', *Commentary*, September 1989.

Novak criticises Francis Fukayama's 'end of history' thesis, which says that the end of the cold war and the triumph of liberal democracy will usher in a period of boredom and nostalgia. This judgment on the 'spiritual deficiency' of democratic capitalism springs from a 'horrific' category mistake. Democratic capitalism is not a church, a philosophy or a way of life; rather, it promises three liberations: from tyranny and torture; from the oppression of conscience, information and ideas; and from poverty.

The resulting social order provides space 'within which the soul may make its own choices, and within which spiritual leaders and spiritual associations may do their own necessary and creative work'. Democratic capitalism has done rather well on the score of promoting spiritual and cultural life, in contrast with Fascism and Communism, both of which aspired to cater for higher human needs.

Novak identifies several valuable moral traditions that were called forth by democratic capitalist institutions in the early American colonies. These include civic responsibility, personal economic enterprise, creativity and a certain kind of communitarian living embodied in a myriad of voluntary associations. On a more sombre note, he reminds us that capitalism depends on a moral framework that is under threat from relativism in the intellectual realm and from social engineers in the political and social arena. 'It would only take a generation of citizens who have forgotten their founding principles and all the lessons of experience to set in motion a precipitous and calamitous slide'.

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John R. Dunlap, 'Kiddie Litter', *The American Spectator*, December 1989.

In the 1950s the social psychologist McClelland wrote a book called *The Achieving Society* which explored cultural influences on the entrepreneurial spirit. His historical and cross-cultural studies suggested that one of the antecedents of a country's high cultural and economic performance was the dominance of themes of achievement and heroism in children's stories and folklore.

Dunlap does not refer to this work but he traces a recent tendency in the US awards for children's literature to favour 'progressive' themes of race relations, anti-sexism and crises of conscience. His main concern lies with the way the issues are presented in a pervasive context of moral relativism, as though right and wrong have vanished.

'Using the (trend-setting) Newbury award-winners as a yardstick, we can say that something like two-thirds of those 3000 children's titles being pumped out each year are not books that a sensible parent would be eager to see in his child's hands.'

In addition, he suggests that the keynote in this 'new wave' of children's literature is preoccupation with the self at the expense of the storyline. In the words of his 12-year-old son, these books are 'boring and kinda preachy'.

Anthony Lejeune, 'The Disappearing Cowboy: The Rise and Fall of the Western', *National Review*, 31 December 1989.

'A nation which loses its myths is in danger of losing its soul. Just as the legends of King Arthur were "the Matter of Britain," so Westerns have been the Matter of America'.

Lejeune argues that the 'cowboy code' depicted in countless A, B and C grade movies has genuine value. Apart from the slaughter of Indians, mostly in the B and C grades, the themes of the great Westerns addressed serious moral issues. The body count was usually small and even if violent incidents were essential to the plot they were ritualised because violence as such was not the point.

The situation has been transformed by the 'spaghetti Western' — corpse-strewn, amoral and unromantic. 'A worm has entered the apple ... and bad currency drives out good.' A typical example is Clint Eastwood's *Pale Rider*, often described as a reworking of the classic *Shane*. The classic began with a deer threatened by a child's toy gun; *Pale Rider* begins with the slaughter of a cow and a pet dog. *Shane* had one killing and one gunfight; *Pale Rider* has brutality from start to finish.

The nature of the change has not been widely noticed, as though the new form of the genre merely extends some tendencies that were always present.

Lejeune insists that this is not the case, that the two categories are moral opposites. And 'If American audiences now prefer violence to chivalry, they have become like the false knights who trample on the Round Table at the end of *Camelot*'.

'Losing the Battle of Stalingrad: The Russian writers' union falls apart', *The Economist*, 9 December 1989.

The Russian writers' union is racked with dissension following an argument over the reputation of Alexander Pushkin. He has achieved something like godlike status among Russian patriots who follow his peculiar brand of chauvinistic pan-Slavism. Members of this faction (who incidentally believe in an international Jewish conspiracy against Mother Russia) now control the writers' union.

'The union is equally anti-western, anti-democratic and pro-tsarist. In the spring of 1987 it threatened to unleash "a new battle of Stalingrad" against *glasnost* ... The union's magazine is a main vehicle for anti-*perestroika* articles.'

Literary liberals are leaving the union in droves, including the entire Soviet membership of PEN, the international writers' guild, and the two best-known Russian poets.

Christopher Tookey, 'The Charge of the Angry Brigade', *National Review*, 24 November, 1989.

The 'Angry Brigade' is a group of left-wing British playwrights who make their living by writing publicly-subsidised plays calling for the overthrow of capitalism in general and the Conservative Party in particular. The personnel include some of the most substantial talents in the country; among them David Hare, Edward Bond, Trevor Griffiths, Howard Brenton and Howard Barker.

They see the role of theatre as essentially political. In the course of casting for a play, Edward Bond interrogated auditioning actors on their politics. Politics aside, other themes in their productions are unorthodox. An evening of ten short plays by Howard Barker features rape, infanticide, casual killings, and flogging. His *The Last Supper* has the apostles stabbing and eating the Christ-figure. All of this no doubt reflecting the harsh realities of life in 'Thatcher's Britain'.

Sometimes their socialist principles are put aside. In the 1970s Hare and Brenton used actors' improvisations to build up plays that the two would then write by themselves for commercial production, thereby obtaining both the credit and the money.

Tookey suggests that it is hard to respond effectively to propaganda and obscenity on the stage because critics tend to appear (or can be made to appear) as if they are trying to restrict freedom of speech.

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George F. Will, 'A Racist Rationale for Racial Hiring', *The Los Angeles Times*, 17 May, 1990.

A professor at Harvard University has threatened to take unpaid leave until a black woman becomes a tenured professor in law, despite the fact that five of the law professors are women and three are black. This is part of a campaign for racial hiring to provide 'role models' for black students.

Will points out that black students at Harvard are highly privileged and upwardly mobile. 'The last thing they need is a role model whose hiring communicates a message that they are participants in a group entitlement to professional advancement.' A black member of the Harvard faculty has irritated the civil liberties movement with a paper pointing out that this amounts to 'intellectual gerrymandering' and the destruction of standards to make particular groups exempt from competition or criticism.

Price V. Fishback, 'Can Competition Among Employers Reduce Governmental Discrimination? Coal Companies and Segregated Schools in West Virginia in the Early 1900s', *Journal of Law & Economics*, vol. 32, October, 1989.

Fishback examines discrimination against blacks in government schools in West Virginia in the early 1900s. At that time blacks could not resort to the ballot box and white voters in effect sought to redistribute incomes from minorities to themselves. However, in periods of high demand for labour, as during the coal boom from 1890 to World War I, coal companies not only recruited black workers and treated them similarly to whites but also promoted equality in schools to improve the quality of their labour force. They did this in various ways, including the donation of buildings and paying external supplements outside the school system.

James P. Smith and Finis R. Welch, 'Black Economic Progress After Myrdal', *Journal of Economic Literature*, vol. 27 (March), 1989.

How widespread is economic progress in the black community? How much progress should be attributed to affirmative action as opposed to other factors such as improved education and migration to the cities and to the North?

The difference in wages for black and white men had narrowed dramatically, especially during the 1940s and 1950s (from a low base for blacks). One of the most encouraging findings is the emergence of an affluent black middle class which was almost totally missing 40 years ago. The major cause appeared to be more and better education for blacks, followed by migration to the North and a reduction in the South-North wage gap. Affirmative action is relevant only as an explanation for post-1965 effects on the wage gap; it appears that progress did not accelerate in that period, although

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some groups such as young black college graduates experienced large gains.

The authors conclude that black progress reflects hard-won achievements with enhanced black market skills, in the context of rapid economic growth. The black elite has expanded but there is also the spectre of the black underclass. They see the quality of education as the key factor in sustained black advancement.

Morley Gunderson, 'Male-Female Wage Differentials and Policy Responses', *Journal of Economic Literature*, vol. 27 (March), 1989.

The wage differential is in the order of 7:10 in favour of males. But when factors such as hours of work, qualifications and years of unbroken work are considered, the remaining gap (the discrimination effect) narrows considerably. Factors outside the labour market such as home responsibilities and type of education are significant, showing the limited scope of policies which focus only on the labour market. The gap tends to be smaller in the public sector than in the private sector, and in the private sector the gap is smaller in areas where the product market is competitive. It appears that wage increases due to Equal Employment Opportunity programs have not had large adverse employment effects, especially in the public sector.

Roosevelt R. Thomas, 'From Affirmative Action to Affirming Diversity', *Harvard Business Review*, March-April 1990.

The author, an executive director of the American Institute for Managing Diversity at Atlanta's Morehouse College, has worked with major companies to develop programs and practices to facilitate the progress of minorities in the workforce.

He argues that affirmative action will eventually die a natural death. With the renewed emphasis on productivity and competitiveness, corporations realise that they cannot afford to squander the talents of people in minority groups. This pressure has generated the need for creative changes in the hitherto conservative culture of the major corporations.

Affirmative action is not the way to influence upward mobility because in its strong forms it conflicts with the principle of merit. 'For this reason, affirmative action is a red flag to every individual who feels unfairly passed over and a stigma for those who appear to be its beneficiaries'.

There is a danger of maintaining the 'zero sum' mentality and a fear among employees that merit is being overlooked in favour of special considerations. 'Because of its artificial nature, affirmative action requires constant attention and drive to make it work. The point of learning once and for all how to manage diversity is that all the energy can be focussed somewhere else.'

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Adam Meyerson 'The Vision Thing, Continued: A Conservative Research Agenda for the '90s', *Policy Review*, Summer 1990.

Meyerson, editor of *Policy Review*, suggests that renewed efforts in the battle of ideas should not be at the expense of engagement in political and policy debates. He offers a list of strategic policy issues or goals where liberal/conservative scholars should lead the public debate.

One such issue is the maintenance of the military and economic strength of the US and the free world. Some older economists such as Buchanan and Stigler exert great influence but the young lions of the profession are too technical or too dogmatically libertarian to speak effectively to the general public. Meyerson suggests that this accounts for the breakdown of the deregulation movement during the 1980s and the public relations success of the environmentalists.

Another aim is to sharply reduce long-term state welfare dependency in America while preserving government help for those in temporary emergencies. Unfortunately these twin aims are likely to conflict. Perhaps the only long-term solution is to remove government from the picture so that private charity and initiative can take care of people in need.

Allan Bloom, 'Western Civ — and Me: An Address at Harvard University', *Commentary*, August 1990.

Bloom is the author of the best-selling book *The Closing of the American Mind*, which blew the whistle on the modern treason of the liberal intelligentsia, especially in the universities. Here he demolishes some of his critics who interpreted the book as an intolerant and uncomprehending attack on modern students. He points out that his target was the mindset which scorns ideas which are regarded as old hat or reactionary without regard to their merits or to the defects of supposedly modern, progressive ideas. For example, high regard for European culture is dismissed as 'Eurocentrism', to be replaced by — what?

'The dominant schools in American universities can tell the Chinese students only that they should avoid Eurocentrism, that rationalism has failed, that they should study non-Western societies, and that bourgeois liberalism is the most despicable of regimes. Stanford has replaced John Locke with Franz Fanon, an ephemeral writer once promoted by Jean-Paul Sartre because of his murderous hatred of Europeans and his espousal of terrorism. However, this is not what the Chinese need. They have Deng Xiaoping to deconstruct their Statue of Liberty. We owe them something much better.'

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Michael E. Porter, 'The Competitive Advantage of Nations', *Harvard Business Review*, March-April 1990.

Michael Porter, not to be confused with our own Michael Porter of the Tasman Institute, is the author of the recently-released *The Competitive Advantage of Nations* (Free Press), based on a close study of a

number of thriving industrial economies. Like asthmatics who become Olympic champions and people with speech-defects who become leading orators, some nations achieve success despite major comparative disadvantages. Motivation, commitment and innovation provide the keys. Governments should accept this and do the things that need to be done instead of the things they most like doing.

Porter sees a role for government in shaping the context and institutional structure surrounding companies and in creating an environment that stimulates companies to gain competitive advantage. This means that governments should concentrate on infrastructure, education and research. They should not intervene in factor and currency markets. They should enforce strict (how strict?) product, safety and environmental standards. They should deregulate for competition and reject managed trade policies. More controversially they should enforce strong domestic antitrust policies.

Lynn Humphreys, 'The Case for Chemicals', *Australian Country Style*, October-November 1990.

Professor Winand Hock, director of the Pesticide Education Program at Pennsylvania State University spent some time in Australia in 1990. He worked with the Agriculture & Veterinary Chemicals Association (AVCA) to produce an education manual for farmers. One aim is to ensure that the continued use of fertilisers, weedicides, fungicides and the like is not prejudiced by excessive use or avoidable accidents.

Another aim is to counter the attack on farm chemicals, led by noted authorities on the subject such as Meryl Streep and Pamela Stephenson. Professor Hock reminds us that many of the toxins produced by the bacteria and fungi that damage fruit and vegetables are themselves very dangerous. Some are potent cancer producers. Control of these pests is therefore not just a commercial imperative for farmers and the food industry, it is also important for public health.

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Joseph Adelson, 'The Nuclear Bubble', *Commentary*, November 1990.

A minority of psychologists and psychiatrists in the US have precipitated a torrent of literature purporting to demonstrate that young people are tormented by fear of nuclear war. The evidence is very thin and is drawn almost entirely from the children of peace activists responding to loaded questions. Where this method fails to yield the appropriate level of anguish and concern, Catch 22 is deployed: the child has repressed the horror as a defence mechanism. All of this flies in the face of more reputable studies with large random samples. One of these showed that the top seven issues of concern to seventh and eighth graders were drugs (25 per cent), sex (17 per cent), the environment (10 per cent), crime (7 per cent), education, child abuse and suicide (5 per cent each). Not to be deterred by anything so trivial as evidence, groups such as the National Education Association sprang into action to address this great non-issue. They developed curricular units designed to 'sensitise' the insensitive and help children to understand the sinister role of the United States in the arms race and the cold war. Some materials even went so far as to depict the 'bloodthirsty' tradition of Christianity as the root problem.

'Nuclear psychology is the worst example we have had so far of a more general problem in psychology: the erosion of the boundary between ideology and disinterested research ... Episodes such as these take their toll in the form of squandered credibility.'

Stephen A. Schwartz, 'Paz in our Time', *The American Spectator*, December 1990.

The 1990 Nobel laureate in literature, Mexican poet and critic Octavia Paz, has made the honourable pilgrimage from the Left to become one of the sternest critics of Marxism in Latin America. Son of a Mexican revolutionary of the same name, Paz in his youth was an associate of extremists and a champion of the student protesters in 1968. In those days he was also an aggressive secularist. His saving grace was his over-riding loyalty to genuine freedom and creativity, which forced him to acknowledge the valuable elements of traditional culture, including religion, and to deplore the tyranny of the Left when it came to power in Cuba and Nicaragua.

At the 1984 Frankfurt Book Fair he received the Peace Prize of the German Association of Booksellers and Publishers. His speech of acceptance condemned the dictatorship of the Sandinista regime and his monthly magazine *Vuelta* has taken a stand on freedom of speech and modernism, against left-wing political censorship and the intellectual hegemony of social realism. He has written, 'The Nicaraguan election dealt the all-but-final blow to Marxist-Leninist

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revolution in this hemisphere'. Asked who was responsible for the human cost of the failed revolutions he replied 'I would start with the Latin American intellectuals.'

Theodore Dalrymple, 'If Symptoms Persist', *The Spectator*, 3 November 1990.

This column monitors the pulse of British life from the perspective of a doctor in general practice. He notes that one of the symptoms of chronic schizophrenia is 'anhedonia', the inability to derive pleasure from anything. This can lead to a lack of motivation to undertake the relatively simple tasks of daily life.

'As far as one can tell, it is the normal condition of a considerable proportion of British youth, and is actively encouraged in our schools'.

This came home to the good doctor when a patient presented her teenage daughter who was truanting and laying the foundations for a squandered life, despite her intelligence and talents. Her teachers refused to take a positive (elitist and undemocratic) view of her strengths and instead persuaded her that, because she lived in a poor part of town, she had no prospects due to social injustice. The daughter had apparently taken this message on board and communicated in sullen monosyllables, as though determined to give the impression of mental retardation.

John O'Sullivan, 'Philistines at the Gate', *National Review*, 11 June, 1990.

Progressive artists have been driven to fury by moves to restrict the exhibition of pornographic works produced with the aid of public subsidies. They are even more furious at suggestions that subsidies might not be granted for such projects in future. We are informed that the central purpose of art is 'to outrage the placid', though as O'Sullivan points out, the placid are increasingly hard to outrage. Quite extreme measures are required these days, though artists and performers with the creative ingenuity of Madonna can still manage to do so. In fact, many of the objectors are not calling for censorship at all, merely to be relieved from the duty of footing the bills. The progressive counter-attack, mounted by a Harvard law professor, argues that refusal to subsidise artists is really much the same as suppressing their freedom of expression.

The credibility of the notion that progressive art should give offence probably derives from the experiences of scientific pioneers such as Galileo, Darwin and Freud. They encountered opposition based on religious or moral prejudice, though their achievements have enduring value. Can the same be said about blasphemy and the explicit depiction of homosexual sado-masochism?

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Maurice Cranston, 'A Few Right Moves', *The American Spectator*, March 1991.

Cranston suggests that the Hawke Government is busy burying socialism, by swinging into privatisation and deregulation. However, the subservience of Labor to its trade union minders will ensure that economic recovery is uncertain. He has a historical explanation of the intransigence of the labour movement. Selective migration in the early colonial days, with assisted passages for skilled tradesmen, resulted in underrepresentation of the educated middle class and entrepreneurs. At the same time, the transportation of leaders of illegal trade union organisations and Irish rebel politicians injected a fiercely radical element into the labour movement.

However, the author has apparently overlooked the institutional framework that provides so much leverage for vested interests. This is the combination of tariffs and central wage fixing, dubbed the 'New Protection', that was put in place shortly after the turn of the century. He underestimates the impact of the women's rights movement, apparently misled by the fact that Germaine Greer and Jill Ker Conway live overseas. He also underestimates the destructive influence of the Greens and hard-line socialists who remain powerful in major trade unions and the State of Victoria.

Murray Weidenbaum, 'Slight Reading', *Reason*, March 1991.

The green movement does not like economics or economists. *World Watch* (September-October 1990) reports that there is a fundamental flaw in economics, namely, 'an almost complete lack of regard for the environment'. This is based on a scan of the indices of three macroeconomic textbooks that failed to find any entries under 'pollution', 'natural resources', 'environment' or 'depletion'.

Weidenbaum reminds us that macro texts are not the place to look for these issues, which are more appropriately treated in microeconomics. Most introductory books cover both macro and micro, so a more sensible sample would be drawn from them. Weidenbaum sampled ten, ranging from Samuelson (1961) through Lipsey and Steiner (1972) to Samuelson (1980), McKenzie (1986) and Ragan and Thomas (1990). The number of pages devoted to environmental issues in those books ran as follows: 5, 9, 30, 13, 26. So much for the world watchers' sample of three.

More important than mere coverage is content. Economists have for many decades, if not centuries, addressed the problem of externalities (such as

pollution). Can the price system be used to control such things or do we have to resort to the command and control approach? Weidenbaum suggests that economic analysis of alternative approaches to environmental issues is imperative to avoid strategies that fail to achieve their objectives or cost more than they are worth.

'Rather than counting pages in economics textbooks, the Worldwatch Institute should try reading their contents.'

'Champion of Choice', interview with Polly Williams for *Reason*, October 1990.

The public schools of Milwaukee have just started the first American experiment with education vouchers for low-income children. The cost of the vouchers, up to \$US2500 each, will be deducted from the public school budget, which currently spends \$6000 per pupil. The driving force behind this scheme is an alliance of Republicans and Democrat Polly Williams, a black member of the Wisconsin state legislature. Liberal Democrats resisted the scheme and finally tried to hijack the initiative with an alternative scheme whereby applicants would need to meet some negative criteria. 'If you were in a family of alcoholics, had a brother in prison and a pregnant teenage sister, and were inarticulate, you would have been a perfect candidate. In other words, a program they hoped would fail.'

On the cost of public education: 'The money is going to a system that doesn't educate them and to a bunch of bureaucrats. A lot goes out the tailpipe of buses, trucking kids halfway across town so they can sit next to white kids. . . . It's more feel-good politics for white liberals. They think their kids are having a neat cultural experience by going to school with African-American kids . . . Poor people become the trophies of white social engineers.'

On affirmative action: 'I could see some affirmative action if it went to the people who really need it — at the very bottom. But it never does that, it goes to people who don't need it, and it carries with it the stigma that whatever position you got, people think you got there because of favoritism.'

Why not just improve the public schools? 'We've tried that for years, and the best we get is, "Well, we're the experts, you are just parents". The choice plan is our second option. The folks who run the poverty industry in this town are worried that kids will get a better education for half the money. In their shoes, I'd be worried too.'

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L. J. Hume, 'Another Look at the Cultural Cringe',
Political Theory Newsletter, April 1991.

The notion of the Australian cultural cringe is one of the great clichés of our times. According to legend, the humble colonials of yesteryear were 'inert, deferential and passive' in front of the Great Overseas Powers, especially Britain, though this dismal state of affairs changed for the better during the 1960s, or perhaps with the ascent of Whitlam. The phrase was coined by E. E. Philips in the very limited context of imaginative literature and has since been generalised to the whole colonial experience.

L. J. Hume, a retired political philosopher and Bentham scholar, has put the cliché under the microscope in this minute and thorough study. The result is fascinating and devastating, revealing a rich tapestry of ignorance, selective quotation, and misreading of documents. Hume's task would have been more difficult if the 'cringe theorists' (practically the whole galaxy of progressive historians and social commentators) had been more circumspect in their statements. Strong claims have been made and the cringe theory collapses at every point where Hume prods it. Every schoolchild (before the 1960s) would have known there was nothing deferential about world-class Australian sporting heroes, and nothing backward about our scientists and innovators, even in some areas of manufacturing.

The 'cringe' theory has been taken up by people who propound a left-wing colonial dependency theory. Consequently, the economic historian Edward Shann is described as one who 'untiringly defended Anglo-colonial economic dependency'. In fact, he opposed tariff protection (a genuine cringe), deplored the accumulation of foreign debt (for the benefit of investors in London and New York), and felt we should exploit our advantages in primary industries and the proximity of growing Asian economies. Though propounded in 1930, this has a strongly contemporary ring, and not one of cringing subservience to the Home Country.

Having devastated the cringe theorists, Hume contemplates the purpose that is being served by such a feeble yet popular misconception. It seems that progressive intellectuals are so desperately insecure that they seek to draw inspiration from the myth that they have heroically escaped from a hideous spectre, i.e. the cringe. As George Orwell would have said, you would have to be an intellectual to be so deluded.

Donald Kagan, 'George Will's Baseball — A Conservative Critique', *The Public Interest*, No 101, Fall 1990.

Donald Kagan is the Dean of Yale College, author of a four-volume history of the Peloponnesian War, and an ardent follower of baseball. He is distressed by what he perceives as the efflorescence of pseudo-scientific ped-

antry into what should be simultaneously epic and uncomplicated. A man stands on a hill and hurls a rock at another man who waits below armed with a tree trunk in his hands.

This essay is a review of *Men at Work: The Craft of Baseball* by George F. Will, another conservative scholar. Will considers that the game was in the doldrums in the 1950s but now is getting better all the time; winning margins are narrowing, competition for the pennants is becoming more equal, and above all, intelligence is now the decisive element in the game. In response, Kagan asserts that the 1950s were a golden age, with the mighty Yankees ruling year after year, challenged by the Dodgers and the Giants as the Titans and Giants of another era challenged the Olympians. With the fall of the Yankees in 1965 'came burning cities at home, frustration and division abroad, debasement of the schools and universities, the collapse of sexual decorum and restraint'.

This may have been written with tongue in cheek but Kagan is in earnest with his critique of modern efforts to apply statistics and safety-first tactics to a game whose finest moments have traditionally come from a blend of inspiration and athleticism. He points out the anomaly that he is forced to take issue with a fellow conservative who might be expected to share his own love of the traditional ethos of the game.

Leon T. Hadar, 'Perestroika in the Promised Land?',
Reason, October 1990.

Israel was founded by Eastern European socialists and consists of a mix of democratic elements (a strong and independent judiciary) and a huge bureaucracy, a centralised economy and the most oppressive tax system in the Western world. The resulting economic stagnation is masked by American aid which props up the massive government apparatus and prevents its true cost from being realised at home.

The major parties similarly combine a mix of good and bad policies. 'Trying to make a selection between Likud's messianic foreign policy agenda and Labour's domestic socialist program is like trying to choose between a heart attack and cancer, especially when both are competing for the goodwill of the clerical religious parties.'

Fortunately, help is at hand. A classical-liberal think tank, the Israel Centre for Social and Economic Progress, opened in 1984. It has already lifted the level of economic debate in the press. Unlikely allies in its cause are the more entrepreneurial members of the generally down-trodden Eastern Jews, the Sephardim, who are sceptical of the ability of the welfare state to do much to help them.

The director of the centre, Daniel Doron, suggests that even the West Bank problems have as much to do with economics as politics. Army intelligence found that many Palestinians jailed for rioting cited unemployment and a harassing bureaucracy as major causes of their own frustration.

— Rafe Champion

RAFE'S ROUND UP

Jacques Barzun, 'Russian Politics in the Russian Classics', *Commentary*, May 1991.

Bernard Levin wrote that he became a liberal as a result of reading the classics of English literature before he encountered Karl Popper's *Open Society* or any other philosophical tracts. This reflects the fact that the institutions of democratic capitalism gain support from other cultural and religious traditions. They may even depend on apparently unrelated traditions, and if these are defective then economic and political reforms may not generate a successful market order.

How well are the Russians served by their classical literature as they stumble from the cavern of communism? Barzun has explored the political content of works by some major Russian writers from Pushkin (1799-1837) to Chekhov (1860-1904). His analysis is not encouraging. Many books explore the heights and depths of passion and despair but few examples can be found of characters who are usefully engaged in public affairs, commerce, the arts or scholarship.

'Pushkin's Superfluous Men were stifled for lack of freedom to act in the public arena. After Pushkin, ranging up and down the social scale in books, we have seen nothing but pitiful attempts to break out of the patriarchy. . . . And so the debate about Russian reform, by Instinct or by Intellect, by the peasant or the Westernizer, goes round and round with no exit in political action for lack of political institutions. To its most gifted observers Russia remains holy and great, but it is landlocked in spirit and social forms just as it is in geography.'

Charles Oliver, 'Heated Debate', *Reason*, August/September 1991.

Climatologists at the Scripps Institute of Oceanography, La Jolla, California, dispute the concept of a runaway greenhouse effect. They have explored one of the self-correcting mechanisms that come into play when the temperature of the sea rises by several degrees in its natural temperature cycle. Water vapour builds up in the air, forming huge clouds that climb to freezing altitudes and form gigantic reflectors until the sunlight over the ocean is considerably reduced. When this happens, cooling begins, the clouds dissipate and the cycle turns again.

'Critics of computer models of the greenhouse effect have long argued that such a process would occur, but this is the first proof that it does occur.' The director of the institute considers that this is only one of many feedback mechanisms that could reduce the global temperature change to almost zero.

Robert Brustein, 'The Uses and Abuses of Multiculturalism', *The New Republic*, 16 & 23 September, 1991.

'The left, whose enemy list was previously limited to McCarthyites, bigots and extremists, has recently been adding those considered "insensitive" to racism, sexism, ageism, homophobia, to discrimination against minorities, and to the suffering of AIDS victims.'

Brustein approves of a form of multiculturalism that amalgamates the riches of many cultures to reflect the variety of American life. This is being replaced by something very different under the same name: a tribal approach that celebrates the style and achievement of a single culture and excludes others. The second, although it calls itself 'multiculturalism', is better labelled 'uniculturalism' or 'racial fundamentalism'.

A typical example is provided by the black playwright August Wilson, who insists that only black directors can do movie versions of his works. He also protested against George Gershwin's 'bastardising our music and our experience' in *Porgy and Bess*. Apparently all that whites are allowed to do is to declare the plays to be masterpieces and award them prizes. Criticism is out of bounds even if the plays are limited and repetitive through their concentration on victimisation.

Virginia I. Postrel & Lynn Scarlett, 'Talking Trash', *Reason*, August/September 1991.

'If you don't recycle, Santa Monica will look like the inside of this truck' reads the sign on the garbage truck. Santa Monica, California, jumped the gun on recycling and started a program in 1981. This costs the city one and a half times as much as ordinary collection and landfilling. After a decade of practice the people of Santa Monica recycle only about 12 per cent of their garbage, a worrying indicator compared with the 25 per cent mandated by the more gung-ho states such as Ohio and California itself, which have adopted the Environmental Protection Agency target of 25 per cent as a mandatory minimum.

These demands may be unrealistic and some of the problems are exemplified by a small family garbage removal service in Ohio. Virtually no lead time has been allowed to make the transition to 25 per cent recycling and the company has to weigh the trash collected at each stop to check that each firm is meeting the target. 'The bookkeeping is unreal'. Major capital investment will be required to make the new system work and costs will have to be passed on to consumers.

Plastic is generally unpopular with the greens. But research revealed that elimination of all plastic packaging in the Federal Republic of Germany would double the cost of packaging, quadruple the weight of materials required, and almost double energy consumption. Clearly there is a need for an ecological approach (looking downstream) to evaluate proposals designed to force environmental rectitude upon us.

— Rafe Champion