

Australian Adam Smith Club (Melbourne)

President: Michael Warby, Editor: Regina Bron, P.O. Box 950, Hawthorn, 3122

What reason is there that he that laboureth much, and, sparing the fruits of his labour, consumeth little, should be more charged than he that, living idly, getteth little and spendeth all he gets, seeing the one hath no more protection than the other?
Thomas Hobbes (1651)

Sophie Panopoulos MP

on

Overcoming the Difficulties of Achieving Real Tax Reform in Australia

**The Adam Smith Club will host a dinner meeting on Monday the 11th of July, 2005,
at the Joy Cafe & Bar, 14-16 Bridge Road, Richmond.**

Sophie Panopoulos is a lawyer and the Liberal member of the House of Representatives for the rural seat of Indi in Victoria's north-east. She was a leading spokesperson for the pro-monarchists in the recent referendum and has, since being elected, spoken strongly on the need for tax reform. Government control of both Houses of the Federal Parliament offers the opportunity for change otherwise unachievable. She has kindly agreed to address the Club on this and other political issues.

Attendance is open to both members and non-members. Those desiring to attend should complete the attached slip and return it to the Club no later than Friday the 8th of July 2005. Tickets will not be sent. Those attending should arrive at 6:30pm for dinner at 7:00pm. The cost is \$35.00 per head for members and \$40.00 per head for non-members (see next page for explanation of arrangements).

**Enquiries to Ms Regina Bron, tel 9859 8277 (AH)
or Dr Tom Jellinek, m 0413 755 533 (BH)
or email asmith@economic-justice.org**

— detach and return —

The Secretary,
Australian Adam Smith Club (Melbourne),
PO Box 950, Hawthorn, Victoria 3122.

Please reserve place(s) at \$35.00 dollars per member andplace(s) at \$40.00 per non-member for the July 11th meeting of the Australian Adam Smith Club. I enclose the amount of \$..... in payment for the same.

NAME (please print):

ADDRESS:

SIGNATURE: TEL:

LAISSEZ FAIRE ON THE WEB

This newsletter has an address on the web: <http://www.economic-justice.org/asmith.htm>. The Institute for Economic Justice has been created by David Sharp a former president (and current committee member) and Timothy Warner the current Treasurer of the Club. As stated on the web site, 'The Institute has been founded to assist those who have been subject to economic injustice, and to increase both public and professional awareness of remedies available under the Law.'

MEETING REPORT MAY 2005

Dr Katharine Betts of Swinburne University gave a fascinating talk on the great divide in Australian political life, the gap between the self appointed media and academic elite and the rest of the country. Using statistics gathered from federal elections since 1987 Dr Betts showed a wide difference in priorities between the ALP voters

and the ALP candidates, which is at the heart of John Howard's success since 1996.

The Curry Club gave its usual fine fare and the discussion afterwards was lively as we grappled with Dr Betts supporting graphs and evidence. It was a good dinner and a fine compliment to the address by Michael Warby in December 2004. *TW*

ANIMATION SHOWS LIFE MORE REAL THAN REEL

The latest animation extravaganza is entitled "Madagascar". It is probably worth catching if only for the scene where the penguins at the New York Zoo, have hijacked a freighter to take them to Antarctica because they have been told that nature is the best. On reaching Antarctica they jump onto an ice flow in the midst of a blizzard - after thirty seconds the lead penguin announces - "This sucks". *TW*

WATER, WATER EVERYWHERE....

The Weekend Australian (25-26 Jun) has a story of a rural NSW Doctor proposing a solution to Perth's' impending water supply crisis. He suggests a solar powered fleet of water tankers to bring the water from the Kimberly to the semi-arid south - western coast. The really amazing item is not of course the rather sci fi suggestion, rather it is that there is any talk of a crisis. If Perth simply offered to buy water at a price then a solution

would be found - solar powered tankers, icebergs, pipelines - whatever. The real crisis is the intervention of a bewildering array of government Departments, QUANGO's and NGO's - they stop any solution that does not meet their agenda regardless of the needs of the consuming population.

Perhaps as an aside, the waste of storm water is in part due to the original intervention of the state in insisting on

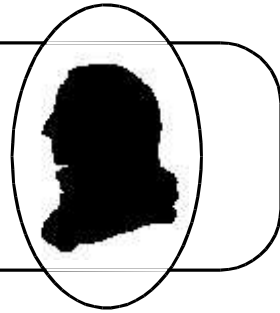
compulsory water reticulation, and the distaste of Local Councils for water tanks (until a very recent conversion on the grounds of sustainability). If the state had not made the storing of rain a practical impossibility and then the provision of underpriced mains water then we would not have treated water as a costless resource provided by the state, rather than a natural and limited resource that should be used wisely. *TW*

VENUE ARRANGEMENTS

For the Joy Cafe & Bar, drink is not included in the price. There is no BYO available. There is a good selection of wine which may be purchased from \$5 per glass. Limited parking may be available behind the café entrance on Hoddle St. We hope these arrangements do not cause inconvenience and we welcome your feedback.

Laissez Faire

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THE NUCLEAR DEBATE

The nuclear debate in Australia has suddenly obtained a new lease of life with the suggestion from the NSW Premier Bob Carr that the nuclear power option should be reexamined in the light of the “Carbon Dioxide (CO₂) pollution” created by Australia’s coal fired power stations. This brought the antinuclear greenies out in droves, raising some old myths about the dangers of nuclear energy, mostly predicated on the false premise that any amount of radiation is bad for you. The basis of this belief arose in the aftermath of World War II, where in the absence of any quantitative information about the effects of low dose radiation, scientists extrapolated from the known effects on people of high doses of radiation to conclude that any dose is bad. This hypothesis is known as the Null Threshold Theorem (NLT) and has been refuted more than twenty years ago. There is conclusive evidence to show that low doses of nuclear radiation, far from being dangerous, are beneficial to human health.

There is an irrational fear of nuclear power that is continually exploited by the antinuclear lobby. This is a clear sign that they are bereft of rational arguments to justify their case. As measured in the U.S, the stack

emissions from a coal fired power station releases up to fifty times more radioactivity than an equivalent nuclear power station. On this basis alone the environmentalists should be demanding the replacement of all coal fired power stations with nuclear power stations. (So called “sustainable” forms of energy generation, such as wind and solar, simply cannot sustain our society with its energy requirements.)

It is regrettable (but understandable, given the irrational level of debate) that the case for reexamining nuclear power in Australia is based on a non-problem of anthropogenic greenhouse gas (CO₂) warming. It is ironic that the best anti-nuclear power argument came from the IPA’s Alan Moran (Age, June 14) where he shows that the nuclear power generation is not cost competitive with coal power generation in Australia. How much this argument would change if the costs of the detrimental health effects of pollution from coal fired power stations was taken into account, is unknown but in all likelihood there would still be a clear advantage to coal over nuclear power generation in Australia. *MG*

FREE TO CHOOSE?

As globalization, improved communications and increased travel decrease the size of our world; we express our own fears and insecurities by seeking to re-establish our own small fortress.

We all embrace the increases in travel freedoms, travelling to far flung and often extremely isolated places, amazed that we can still be contacted by phone or that the little village hut in the middle of nowhere is really an internet café.

International trade is not so eagerly embraced. On the one hand we appreciate the reduced cost of many items, and while there is a growing awareness of the link between trade and employment, there are many impediments set in the way of allowing free movement within and across markets, both locally and internationally, to take advantage of new opportunities when others close.

Where our insecurities are more clearly expressed is in the area of our personal freedoms.

We have elected our government with a mandate to apply even more stringent rules and regulations on the movement of people across our borders. It works both ways, as more and more governments follow step. Whereas years ago we rejoiced in the ability to live almost anywhere – today the average person is free to choose anywhere as long as its home!

We are apparently happy to ask our local governments to interfere even more intimately in our lives; telling us when we can use a vacuum cleaner, what hot water system we can install, how many pets we can own, who we can employ (or can’t); all in the name of securing our own rights.

Haven’t we learnt the lessons of history? If we choose to vacuum at midnight we should be able to do so

as long as we respect the rights of our neighbours to peace and quiet. If we wish to keep more animals than recommended, as long as we keep them on our property, control their noise, smells and uphold their welfare we should be able to make that choice. But should we fail in our duty, the penalties should be appropriate and include compensation to those whose rights have been infringed.

Personal freedoms need to be protected not by autocratic restrictions and the application of more red tape, but through the education of the population in civil liberties. We should be made aware that our right to act in a certain manner carries with it an concomitant responsibility to ensure that in executing our rights we do not tread on the rights of others. *RB*

THE AUSTRALIAN CONSTITUTION; DEAD OR JUST RESTING?

Predictions by pundits of various persuasions of the eminent demise of the Australian constitution have been relatively commonplace in the last 2 or 3 decades. Observers of recent events could be forgiven for concluding that such demise has now occurred.

What, in the context of constitutions, constitutes death may be a matter of some argument. It is appropriate therefore to begin with a definition of constitution itself. It is likely that the word means different things to different people. Whilst it may not be possible to reach agreement on the meaning of the concept it will at least enable what is being discussed to be determined.

Some points of agreement are likely amongst all or at least all whom believe in any form of government whatsoever. A constitution is a law that, at the very least, establishes who is to govern and the procedures to be followed by such government in the formulation of its rules and directions. Such minimal agreement is essential if there is to be any form of ongoing peaceful, stable and orderly government.

Whilst such minimal agreement is likely however there is considerable disagreement beyond that point as to just what a constitution entails. Where individual autonomy is prized and the dominant political ideology is one which seeks to constrain the power of government in order to promote such individual autonomy it is likely that a constitution will be regarded as the appropriate instrument for this to be achieved. It is and it is meant to be a limiting law. The theory is essentially classic liberalism and the doctrine itself

is oft referred to as constitutionalism.

Like its American counterpart, the Australian constitution was envisaged as a law to limit law. It was the embodiment of the Lockean theory that government power can and should be limited and that such powers as government did possess were contained within it. Its limiting effect was achieved by a variety of devices including federalism (the existence of more than one sovereign state within the same country), the specific enumeration of federal government powers, the separation of power into legislative, executive and judicial functions, bicameralism (the splitting of the legislature into 2 chambers with virtually equal powers but different franchises), an independent head of state and judicial review by a constitutional court.

Constitutionalism in Australia has never received the same standing or acceptance as it has in America. Historically government has played a greater role in the lives of the people of Australia. More importantly the Labor Party throughout its existence has been resolutely opposed to the concept, rightly perceiving its liberal origins and nature.

A reading of the 1957 Chifley Memorial Lecture by E.G. Whitlam "The Constitution versus Labor" and his 1961 Chifley Memorial Lecture "Socialism within the Australian Constitution" clearly draws what were then perceived to be constitutional obstacles to Labor's aims and principles. The lectures set forth the principal goals to be achieved including the effective abolition of federalism. With the notable exception of the achieving of a republic those goals have

largely been achieved.

The transformation of the constitution from a law limiting of government into one empowering it has largely been achieved not by the method prescribed by the constitution itself for change, which was for referenda, but rather by judicial interpretation. Beginning with the famous *Engineer's Case* in 1920 but accelerating greatly in the last 40 years the High Court has effectively rewritten the Australian constitution, such that as a limiting factor it has largely become irrelevant.

It is somewhat ironic that the recent spate of dictates from the Federal government to the States unilaterally rearranging powers and functions to its own advantage is done with supreme confidence that the High Court will support its actions and that this has been done by a party that nominally includes within its stated principles a commitment to federalism.

It is also ironic that at the very time that Canberra is completing its *de facto* rejection of constitutionalism in general and federalism in particular they are enjoying a world-wide growth in interest. Keynesianism as a centralising economic principle is dying if not already dead. Unions are dissolving, some peacefully such as the USSR and Czechoslovakia others not so peacefully such as Yugoslavia. Federations continue to form such as the EU and the reunited Germany. The newly emerging powers of India and China are largely federal in nature, India formally and China effectively. In this regard Australia is swimming against the tide. *DBS*