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This book honours Max Neutze, founding head of the Australian National University’s program of urban and environmental research. Ten men contribute its ten chapters. That offence is compounded by having a man review it here. But what male scholars can do tolerably, these do supremely well. Some of them focus on particular periods, industries or policies. Others write more generally about economic theories and methods. It is convenient to review them in that order.

Tim Bonyhady describes Governor Phillip’s grand vision for Sydney. It should have splendid public spaces and buildings, and its private elements should stand on renewable fourteen-year leases with adjustable rents. That was nearly a century before Henry George imagined other ways of rescuing the ‘betterment’ from city growth for public rather than private benefit. Private resistance defeated the scheme, as it has since done to other good intentions. Bonyhady mourns: ‘These resonances between past and present are more disturbing than encouraging… [W]e can see the steady, if not reckless, alienation of the public estate; we can see the legitimate regulation of private land cast as an unwarranted interference with property rights; and, just as with pastoral lessees in the wake of the High Court’s decision on Wik, the success of landholders in securing ever greater forms of tenure without payment, regardless of the limited basis on which they were first allowed to take up land.’

Peter Spearritt traces the recent history of expanding, contracting and commercialising public spaces, indoor and outdoor, in public, private and independent ownership. The record is not all bad. ‘Generations of Australians have grown up taking public space for granted. We have freedom of the beaches, freedom of the street and the footpath and freedom to visit our public buildings: schools, libraries, town halls, courthouses and post offices. None of these charge entry fees … Since 1950 the proportion of Australia devoted to national parks has increased from 0.001 percent to over 5 percent of the land mass. Some areas of foreshore are now accessible to a degree that they haven’t been since 1788. The Sydney Harbour National Park is an outstanding example of resumption, made possible by years of repurchase of privately held land, as well as increasing public access to land in army and navy hands.’

But there are reverse effects. Governments sell off their inner-city schools. Churches and other heritage buildings are sold for commercial re-use or replacement. Public museums and art galleries introduce admission fees. ‘In the 1990s we have seen the corporatisation of Australia Post, the closure of banking premises, the sell-off of public utilities … and the abandonment of many public meeting places …’ Spearritt wants us to ‘resist the desire of corporations and of revenue-hungry governments … to treat every public space from the footpath to the public art gallery as yet another commercial opportunity’.

Blair Badcock details three decades of destructive relations between Adelaide’s land and money markets. Clever public dealing in new urban land and houses, financed at real interest rates close to zero, had served its citizens well for half a century when changing conditions and policies ran the system into trouble in the 1970s. Badcock reflects on the happy then the unhappy times, and some foreign experience. His
conclusions are clear, compelling, and currently unfashionable: ‘the benefits of a carefully administered property system can extend well beyond coping with market failure.’ They can include ‘predictable investment conditions; greater certainty of outcomes in the realm of strategic and land use planning; superior coordination on the ground of housing and human services; the stabilisation of land and house prices which benefits public and private users of space; socialisation, for the most part, of the planning gain.’ But that requires that the public and private operators be competent people who know their business. Bad government and public enterprise are always possible. So is bad banking if government allows it and inept developers take advantage of it. The ill effects cannot be reversed by further reducing the role of government. Most economic activity needs government tailored to the nature and needs of the particular industries and markets concerned. When their nature and needs change, as some do in changing technological and global conditions, it can take inventive government to keep up with them.

Hal Kendig writes about ageing and the public policies it calls for: personal, family, neighborhood, state and national policy; land, housing, money-lending, health and welfare policy; relations between life-cycle and whole-life distribution of wealth, income and more sentimental sources of happiness, between individuals, families and generations; and all those issues in a threatened and threatening environment. I cannot remember thirteen pages anywhere, ever, on any subject, that manage to be as comprehensive, sure-footed, up-to-date, prescient, partly original, wholly intelligent and morally admirable as these thirteen of Kendig’s. They cannot be further distilled for this review, they are pure essence already. Just find them and read them, especially if you are young.

Under the title ‘Efficiency and equity in industrial policy’ Michael Webber does some equally deft compression in tracing direct and indirect effects, through the last thirty years, of changing levels of tariff protection and other assistance to the textile, clothing and footwear industries. There are aggregate benefits to consumers, but richer households get bigger benefits and poorer households pay more of the policy’s costs. ‘Even though these implications were not difficult to predict in advance, the government nevertheless made no serious attempt to change other policy settings in order to encourage the development of new industries that would employ the people who were being retrenched from the TCF sector.’ Nationally, income inequalities increased. That ‘could have been anticipated and should have been the object of policy’.

Ian Manning condenses a complex explanation of the end of full employment, then explores its effects on life patterns and inequalities within and between inner suburbs, outer suburbs, the ex-urban belt, provincial cities, rural areas, and the remote areas where ‘income segregation is extreme, with Aboriginal communities receiving no more than social security incomes alongside mining settlements with the highest average incomes in Australia’. From the diverse developments in those six zones he draws some simple conclusions. ‘Economic rationalism was introduced with an array of promised turnarounds in economic performance: rural prosperity; vibrant new industries to replace inefficient manufacturing; a return to full employment and to postwar rates of economic growth. These promises have not been fulfilled ...’ Instead, the Right strategy has delivered ‘inequality, with prospects of greater inequality to come. The decreases and increases in income which have brought about the increase
in inequality have been unequally distributed by skill group, including by industry, by age and by gender. It is not surprising to find them unequally distributed by geography as well.’

The late Peter Self reflects on the extent to which, and the reasons why, ‘urban planning has declined a great deal both in its effectiveness and its title to democratic support since the heady period of reconstruction after World War II.’ Patrick Abercrombie’s Greater London Plan of 1944 was popular and effective: the best there has been. Self traces the disintegration since then, in Britain and Australia, of the principles, and the market and political conditions, which made such masterful planning possible. Though he well knows how many and confusing the warring interests now are, and the range of harm that even the best planners can inadvertently do, he remains hopeful, partly because the prevailing Right philosophy and program are performing so badly. But there is some discordance – or perhaps division of labour – between the conclusions to this chapter, and to his last book (Rolling Back the Market: Economic Dogma and Political Choice) which also appeared this year. The chapter asks if effective democratic planning is still possible. The book asks if effective democracy is still possible, but concludes that neither business nor political leaders will let it revive, unless intellectuals discredit their gutless leadership and mass movements reawaken ‘the latent power of what David Lilienthal once termed (in the context of the Tennessee Valley Authority) “democracy on the march”.’

Before Max Neutze speaks for himself in the tenth chapter, two others have introduced and located his work in ingenious ways. Frank Stilwell sums up a lucid review of economists’ ‘ways of seeing’ in a treble trio diagram. Intersecting circles represent the overlapping realms of society, economy and ecology. Three more circles overlap the concerns of market, state and community. In three more, global, national and local fields of activity overlap. Dark hatching then indicates how much of each trifold area attracts the attention of particular schools of economic thought. Six schools are compared. The clear winner is the institutional school (of Veblen, Commons, Means, Myrdal, Sen and other ethical pragmatists). The other contenders are Marxists; Georgists who understand the critical importance of the unearned ‘betterment’ of land values; Keynesians; ecologists; and any neoclassical economists who are also social-democratic reformers. Neutze does not score well for breadth of interest as an enlightened neoclassic, but he wins because he is also a practical institutional thinker and an insistent moralist.

In another thoughtful chapter Nicholas Brown compares two concepts of citizenship in the work of Neutze and of Dick Downing. Downing was a leading Australian Keynesian through the mid-century ‘golden age of capitalism’, and for some years Chairman of the Australian Broadcasting Commission. He helped to write ‘that formative manifesto of macroeconomic citizenship’, the 1944 White Paper on Full Employment in Australia which announced the government’s duty to contrive full employment and sketched the range of good things which that revolutionary condition promised to the citizens. That still left plenty of detailed work to do. The macroeconomic promise must be honoured by developing the intricate institutional conditions and services of what Brown calls ‘microeconomic citizenship’. Enter Max Neutze with the book’s final chapter.
Neutze’s last ten pages treat city life and growth as a case study of that institutional work. But they follow sixteen exemplary pages of general analysis and judgment of what market processes, and neoclassical theory about them, can and cannot do. Neutze is a confident and often severe judge of the life and thought which he describes. But his language is unfailingly fair, clear, quiet, and courteous to all parties: rare virtues in the conflicts of interest and belief which are his subject. Should those memorable pages (196 – 213) introduce every Economics course of study in our universities? Every day of study would be better — not to compel agreement, but to inspire students to think and write with that skill and spirit about their own conceptions of public good, and know the joy of it.

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