
BOOK REVIEWS

Jane Gleeson-White

Double Entry: How the Merchants of Venice Shaped The Modern World – and How their Invention Could Make or Break the Planet

Allen & Unwin, Sydney, 2012, pp. 304, paperback edition
\$25

Reviewed by Chris Poullaos

Writing for a broad audience, Jane Gleeson-White argues that accounting is not only interesting but also significant – perhaps even to the extent that how it is done in the future will have serious consequences for us all. The warm reception already accorded to her book suggests that she has made this case more persuasively than either accountants themselves or the academics who study them and their works. As well as drawing judiciously upon published research, she has done some digging herself, made interesting connections, developed some interesting themes, and written in a succinct, accessible style which takes the reader quickly to the heart of key arguments, presented in the form of a historical narrative.

Some highlights: humans created records to track their possessions and transactions before they could write. Indeed, the early record-keeping technologies probably contributed to invention of written language. They have also contributed to ostensibly grander political (e.g., state formation) and cultural (e.g., art and science) projects. In particular, a slowly emerging form of record-keeping – double entry book-keeping – simultaneously also a mode of analysis and a rather commodious framework for thought and action compatible with a disparate range of ideological positions) has spread virally across different eras and locales, in conjunction with its progeny, the accounting profession. This humble but subtly pervasive duo has contributed to the modern world, in particular via their input into capitalism (as both phenomenon and concept) and macroeconomic management. Double entry, however, is a flawed jewel, susceptible to the manipulations of charlatans and the activities of high-class pickpockets. A particularly serious flaw is its

incapacity to adequately deal with the externalities created by 'accounting entities' and those aspects of the natural world that have not (yet) succumbed to the world of property rights, nor (treated as) accounting entities themselves. This flaw needs to be overcome if the ever-looming ecological crisis is to be avoided.

The argument, particularly about double entry and especially as it gets closer to the present, tends to slide from causal analysis to synecdoche (using part of something to refer to the whole). At times causal agency is plausibly attributed to double-entry. At other times it is clear that other factors are at play simultaneously. No problem with that, except when strong claims are made about double entry which do not unpick its impacts from those of other factors. (To be fair, academic specialists struggle with the same problem.) At times the other factors don't get much space. Even within the narrow confines of corporate reporting, for example, a range of views about the definition and measurement of assets, liabilities, capital and income – even the exact uses to which accounting numbers might be put by profit-seeking investors – has been and continues to be expounded; all compatible with, and not reducible to, double-entry, even while being constrained by it. The choices made between those views, by standard-setters and others, contribute to the effects (for good or ill) of corporate reporting, but the reader is (wisely or not) spared a discussion of that arcane debate.

Similar issues arise when it comes to the disparate views of now nature might be 'valued'. While some believe that such valuations (some calculated on bases owing little to double-entry, one might add) should be constructed and incorporated 'into the accounts', proponents of both non-financial but quantitative reporting and non-quantitative disclosures, in media and forms unrelated to the conventional annual report, may also be found. In a statement such as "double entry now has the potential to make or break life on the earth" (p. 249) 'double entry' is perhaps best treated as short-hand for all efforts to develop forms of reporting that might help us deal with ecological issues. The action to be taken (in relation to nature) once the eco-accounting is in reasonable shape will remain highly contested in any case.

On the second last page of her book Gleeson-White quotes a statement by Anthony Hopwood made in 1978 highlighting the paucity of studies of how accounting helps to shape society. A rather voluminous literature

responding to that call now exists. Hopefully readers of Jane's book may be inspired to check it out.

Nichole Georgeou

Neoliberalism, Development and Aid Volunteering

Routledge, New York, Oxford, 2012, pp. xviii + 239,
hardback edition \$188.

Reviewed by Rowan Cahill

As Nichole Georgeou explains at the start of her book, the gestation of this study was her immersion and experiences in the field of aid volunteering in Japan and North Vietnam (pp.xv-xviii). This was during the early 1990s, when she was in her early twenties; they were experiences that left her asking huge moral, ethical, political questions about volunteering.

It was a questioning that brought her back to Australia, and eventually to academia. This book is the result of her facing down these demons, unpacking them intellectually to find answers and solutions. In the process she validates the work of NGOs and on-the-ground civilian volunteers, and seriously questions the aims and priorities of state led aid initiatives.

Pricey though it is, *Neoliberalism, Development, and Aid Volunteering* was not intended by its author to simply become a library shelf-dweller, career enhancer, or footnote-quarry, though it will become the latter, such is the quality of the work, its breadth of scholarship, its insights and challenges. Georgeou intended her work to be used, to challenge and to help formulate aid/volunteering approaches and policies at individual and organisational levels, in what is globally a multi-billion dollar economic sector (p.xviii). This is a sector which makes claims to altruism and humanitarianism, utilises the input of growing numbers of volunteers, but is increasingly volatile, conditional, militarised, privatised, and politically riven.

Neoliberalism, Development, and Aid Volunteering is an enormously complex text, an interdisciplinary blend of history, politics, sociology, social anthropology, and ethnography. At times the author reaches back to the 18th century to understand the philosophical, economic and political roots of the contemporary/current situation she explores. Georgeou lays out her case and develops her account with nuanced scholarship. That said, she avoids the coded and cold impenetrability of much academic writing, and her work is at once scholarly, personal, and accessible to non-specialists.

Given the complexity and intellectual breadth of her work, it is difficult to summarise the paradigm she addresses, but believe I do justice as follows: individual and organisational volunteer impulses and empathies to 'do good' internationally have, since the 1970s, been variously harnessed and transformed by neoliberal understandings and processes to serve the agendas of global capitalism and the national interests of donor-state agendas, what Georgeou broadly terms "a wider hegemonic project of global governance" (p.55).

This is a complex, multi-faceted process, one encouraging a symbiotic relationship between donor organisations and processes, and the problems being addressed. In turn this encourages the development of a self-perpetuating volunteer industry, promoting "citizenship without politics" (p.74) in recipient communities/sites, the neoliberal agendas masked and camouflaged by the language of humanitarianism. In this situation there must be human 'casualties' of personal, psychological, political kinds-- amongst those who in good faith volunteer to 'do good' in the world, and amongst aid recipients, all of whom are, in effect, being groomed as pawns of global capitalism.

There are two dynamic aspects of Georgeou's study. First is the mainstay of the book: a micro-study of the Australian International Volunteer Sending Association, Palms Australia, an NGO with over 50 years experience in aid volunteering. In this she explores the tensions in, and pressures on, an aid/volunteer organisation and its integrity, one in the field with a Christian-based humanitarian impetus. Using the micro-study as her constant reference point, she launches out to examine macro-global perspectives and contexts.

Related to this is data sourced from interviews she conducted in 2006-2009 with Palms volunteers with recent experience of working in Timor-Leste and Papua New Guinea. Georgeou's sensitive and nuanced

treatment of this material reflects her concerns for the safety and the broad welfare, including psychological aspects, of volunteers (Chapters 4, 5, 6). Not only this. Georgeou demonstrates the ways aid programmes involve complex relationships between aid givers/suppliers and aid recipients. Power, perceptions, histories are involved here, and Georgeou's study is also concerned with the human, cultural, psychological, political welfare of the recipients or targets of aid/volunteering programmes and efforts (pp.155-166).

Georgeou's book is radical. She understands matters pertaining to class and hegemony. Then there is her stance as a scholar. Biographically, she came to academia late, and did not take the well-beaten path of swapping school for campus; thus she avoided the institutional grooming and timidification that often ensnares those who travel this path. Rather she models engaged scholarship. The scholar is not some sort of seminarian elitistly dealing with 'higher things', but seeks rather to engage with the wider world beyond the academy, which in Georgeou's case is the world of human dignity, human rights, social justice.

Add to this her forensic account of the ways in which neoliberalism is embedded in modern aid/development programs, which, along with 'new managerialism', comprises a form of imperialism, tying aid/volunteering recipients to the economic and strategic imperatives of donor states, the managerialism both facilitating and camouflaging the ideological and the political. Citizenship based on consumerism (p.50) is promoted, amongst aid volunteers and aid recipients, at the expense of ideas of "responsible citizenship and collective endeavours" (p. 74).

Radical too is Georgeou's conception and vision of civil society, which is at the heart of her thinking, and advocacy. Civil society is a social construct, a social space, at once democratic and participatory, in which individuals variously clash, struggle, argue, and agree. It is a space in which the individual is empowered to act publicly. Civil society is about people, individuals, human beings, and not about units to be manipulated for state imperatives, or conceived of as foot-soldiers for economic growth.

From my reading of Georgeou's book, I sense much anger and passion guiding her text. But instead of the mailed fist, which is there, she builds her case with velvet gloves. Her book is a significant contribution to the growing literature on the embeddedness of neoliberalism, and she is a voice that should be heard.

Sheila Dow
Foundations for New Economic Thinking: a Collection of Essays.

Palgrave Macmillan, Basingstoke, Hampshire, 2012,
 ISBN 9780230369108, pp. 280, \$171.

Reviewed by Stuart Birks

This publication draws on over 30 years' work by Sheila Dow on methodology and modes of thought. Over this time she has repeatedly argued for broader and more flexible approaches to economics. Her reasoning is the product of extensive academic debate, primarily in the UK. Coincidentally, this provides insights into the evolution of ideas, as well as the barriers evident in academic institutions (the sociology of knowledge):

Scientific communities form around shared ontological beliefs, epistemologies and methodologies, out of which emerge distinctive sets of methods and theories, expressed in terms with meanings shared by the community. Arguably, elements of ideology inevitably are embedded in what is ultimately a belief system.

Not surprisingly, much of the debate is in reaction to the dominance of 'mainstream economics'. She is critical of its emphasis on formal mathematical models as the preferred, if not the only, approach to take. Dow advocates methodological pluralism (awareness and acceptance of more than one valid methodology) and pluralism of method (using more than one method in a piece of research). In contrast, she sees mainstream economists as only able or willing to acknowledge as economics those analyses which use their accepted tool kit. Challenging this narrowness, she says:

economics would benefit from a wider acceptance of the legitimacy of a broader range of approaches than the mainstream, from learning about the content of different paradigms, and from engaging in debate across paradigms.

Key to her analysis is a representation of levels on which differences can be observed. She and Tony Lawson both emphasise ontology. However, Dow does not agree with Lawson's critical realism, considering it overemphasises the unsuitability of closed systems to offer explanations of an open-system ontology. Lawson's point is perhaps weaker than might at first appear. Given that we are constrained by the classifications and meanings associated with language, any representation will be flawed. Dow suggests that the closest we can get to a true ontology is a 'world view', and Lawson also states that attempts to describe the real world are inevitably abstractions.

At the broadest level, then, people may have different world views or types of abstraction. While Dow refers to economics, the point is clear if we compare the various social sciences. For example, economics, sociology, psychology and political science all have literature on unemployment. However, they each have their own perceptions of unemployment. This process has been described elsewhere as 'framing', comprising 'selection, emphasis, exclusion and elaboration' (Severin & Tankard, 1997, p. 230). These decisions are products of bodies of thought and their associated concepts, classifications and, more generally, language.

There is then the choice of methodology. Dow groups mainstream theory within a specific methodology, that of mathematically based deductive reasoning with closed systems (fully internally defined, as are all mathematical and graphical models) and decision making by participants who are atomistic (independent), as contrasted with organic (interactive and evolutionary), rational and possessing exogenous preferences.

Interestingly, at one point she takes an approach that she describes as 'textual analysis'. This is of particular relevance in discussion of mainstream economics. Many mainstream economists come from a quantitative background, to the extent that it can be seen as the only legitimate way to undertake economics research. From this perspective, use of textual data is dismissed as 'just literature review'. However, textual data are valuable and should not be overlooked. Consequently a label such as this is useful as a rhetorical tool to enhance the authority associated with the approach.

Dow highlights one important aspect of methodological distinctions, as described by Caldwell (1986), namely that it can be misleading to criticise one methodology by the criteria of another. Positivist

mainstream economists are seen as having a narrow perspective and may not be aware of this dimension. This indicates a perceived problem if mainstream economists are to debate with others.

As an example that might fit Dow's point, econometricians consider it important to control for other variables. They commonly aim to achieve this by means of a vector of control variables. Others may argue that there no justification for this specific functional form, so the effect is a purely arbitrary distortion.

The next level is that of alternative theories, and these may be based on different methodologies. This is an important point and central to Dow's concerns. It means that, if an issue is framed as one of choice over competing theories, then there may not be a unique, universal set of criteria on which to base this choice. Of course, various heterodox schools of thought may also have an equally constrained perspective as to criteria.

A further final layer is the application of theory to the real world. At each of these levels, world view, methodology, theory, and application, there is scope for disagreement. Dow argues that the nature of the disagreement is not understood without recognition of these levels.

Any analysis involves framing, and language is instrumental in determining the options considered. This is apparent in the use of concepts, several of which are discussed throughout the book. These include: dualism versus Babylonian thought; organic versus atomistic; mathematical and ordinary logic; conventionalism; event regularities; 'situated rationality'; aleatory and epistemic uncertainty; and subjective and objective uncertainty. It also leads to recognition 'that facts are theory-laden, and that theories are paradigm-laden'. Nevertheless, Dow describes theories as 'representations of reality', while it might be more accurate to consider them as analogies. This point is contained, but not recognised, where she quotes Lucas:

a 'theory' is not a collection of assertions about the behaviour of the actual economy but rather an explicit set of instructions for building a parallel or analogue system.

There is much that is useful in the book. Not least, it provides a broad context in which to interpret the development of economic ideas. It also illustrates the nature of some debates that are required and why they may not occur. At the same time, it can be seen as an example of context

shaping the development of ideas through reaction to dominant groups. It is suggested that the mainstream is dismissive of the pluralist and heterodox, but it is also apparent that the latter are operating in the shadow of the mainstream. Were they to look in other directions they may see additional options for change. Two such options are outlined here.

First, considering the nature of data in all its forms (qualitative and quantitative), mainstream economics has focused on techniques which use only a small component of this information. Surely, if as economists we are to be efficient in our research, then we should consider using the resources that are available to us. Data, broadly defined, include types beyond those conventionally used by economists. These could include material such as policy documents, news media coverage, parliamentary debates, numerical information other than large data sets, and even concepts and research findings from other disciplines. Rather than justifying inclusion of data that are used, perhaps there should be a justification given as to why other information is disregarded. This is currently not expected.

Second, many of the issues of concern to economists are also covered in other disciplines, and with good reason. How can economists justify an approach that distinguishes between, say, economics and politics, whereby the economy can be viewed in isolation? As Dixit (1996, p. xv) has said of this:

Markets and governments are both facts of economic life, and they interact in complex ways. We cannot find feasible improvements by wishing away one of the components.

Kuhn (1970, p. 5) makes a related point when he describes normal science as, 'a strenuous and devoted attempt to force nature into the conceptual boxes supplied by a professional education'. We are not only teaching our students what they can do, but also constraining them to stay within the bounds that our disciplines have set.

Political economy has been described as follows:

All strands of political economic analysis, drawing on the conceptual frameworks of Marxism, institutional economics, post-Keynesian economics, feminist and environmental studies, have used a method that has been historically based and empirically grounded. Moreover, all strands recognise that useful

social science analysis must cross received disciplinary boundaries and that other disciplines have also brought important insights to bear on understanding economic and social order and development (Butler, Jones, & Stilwell., 2009).

This provides an example that economists in general could seek to emulate.

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David Lee

Stanley Melbourne Bruce: Australian Internationalist,

Continuum, London, 2011, pp. 246, \$153.

Reviewed by Kosmas Tsokhas

David Lee's biography of Prime Minister Stanley Melbourne Bruce (1883-1967) has been reviewed and discussed in online media, in the daily press and in scholarly journals. Why so much interest in Bruce at this time? For one reason or another, Lee's book has coincided with an expansive interplay of writing and researching on contemporary issues that also preoccupied Bruce. These include the implications of international investment and trade for unequal distributions of wealth between nations; the struggles between trade unions and employers over

the regulation of the labour market; the roles of politicians and economists in the battles between neo-classical, monetarist and Keynesian ideas; and the historical lessons from the 1930s for sustained recovery from the global financial crisis.

Undoubtedly, there has been an upsurge in studies of Anglo-Australian relations during the years when Bruce held high political and diplomatic office. For example, David Goldsworthy *Losing the blanket* (2002), Deryck Schreuder and Stuart Ward (eds) *Australia's Empire* (2008) and James Curran and Stuart Ward *The Unknown Nation* (2010) have explored imagined histories of national and cross-cultural identities within a political and economic framework. The themes addressed in such work have been amplified by Alex Millmow in *The Power of Economic Ideas* (2010), in which he discusses the influence of economists on politicians, like Bruce, who were controversial or prominent during the booms and busts of the 1920s and 1930s, when the imperial economic connection was both affirmed and questioned. In addition, there have been a number of recent biographies of prime ministers, such as David Bird's *J A Lyons* (2008) and Anne Henderson's *Joseph Lyons* (2011).

Unlike Lyons, who had humble origins, an Irish nationalist background and a career in the labour movement before he defected to the conservative United Australia Party, Bruce was born into a prosperous family of Melbourne merchants. He attended the exclusive Melbourne Grammar School where he was school captain. For his university education, Bruce went to Trinity Hall Cambridge. In 1908, he was appointed Chairman of the commercial firm of Paterson, Laing & Bruce. His self-esteem grew when he became a member of the commercial law firm of Ashurst, Morris & Crisp and the Middle Temple.

By contrast with the widely held view of Bruce as a subservient agent of Britain, Lee contributes to the debate on the hybridity of Anglo-Australian identities when he argues that Bruce tried to harmonise nationalism, imperialism and internationalism in a globalised world. As Prime Minister from 1923 to 1929, Honorary Minister in London from 1932 to 1933 and High Commissioner in London from 1933 to 1945, Bruce had access to Whitehall and Westminster. Despite his self-recognition as an Australian, he was at ease in the world of the British upper class and had an aura of relaxed superiority. He was suited in background, temperament and style to conduct recurrent, and, at times,

aggressive trade and financial negotiations with British officials and politicians.

No matter how much he admired British parliamentary, legal and cultural traditions, Bruce's role and influence relied on his capacity to represent the Australian government and the industries which supported it. Lee describes how, in order to overcome electoral disputation between his Nationalist Party and the Country Party led by Dr Earle Page, Bruce brokered a coalition between the two parties and balanced the interest of urban manufacturers in tariff protection and the interest of farmers and graziers in marketing boards, price supports and subsidies. Bruce's political calculations about election campaigns, factional alignments and ideological appeals took into account the opportunities available in imperial trade and the anticipated policy responses and investment reactions of Australian and British business that sometimes clashed and sometimes coalesced.

At a time when the global financial crisis has revived the debate over free trade and protection, it could be argued that the relationship between Australia and Britain was characterised as much by interdependence as by dependence. Lee extends our knowledge of Bruce's project to build the empire into an integrated economic system. He outlines how at the 1923 Imperial Conference, Bruce argued for self-sufficiency as a form of common agricultural policy, whereby the shortfalls in domestic British agricultural production would be met by the dominions which would have preference over non-empire exporters.

In return, on the one hand, some British manufacturers enjoyed preferential tariffs over non-British foreign manufacturers in the Australian market, but only to the extent that this did not prevent the development of a domestic industrial base. On the other hand, tariffs were used to increase the market share of Australian manufacturers and induced British companies to resort to local production and assembly. However, as statistical analysis has shown, ideas of British imperial superiority and Australian colonial inferiority, of British cultural affinity and sentiment did not influence Australian companies and consumers to purchase British products over non-British ones which were similar in quality and price.

Through the ebbs and flows of conflict and compromise over tariffs within the structural constraints of unfavourable terms of trade between primary commodities and manufactured goods, which are given lesser

rather than greater attention by Lee, Australia remained an exporter of primary commodities to, and, an importer of manufactured goods from, Britain. To what extent did the unfavourable terms of trade and the fluctuations in the current account, which resulted in disequilibria between Australian deficits and British surpluses, reflect unequal exchanges by means of prices? At one level, while domestic industrialisation was expected to counteract some of the effects of the movement in the terms of trade between Australia and Britain, given that some primary commodities and manufactured goods may have been undervalued and others overvalued, Lee's biography implies that there needs to be additional research on the components of trade between Australia and Britain. At another level, labour productivity, real wages and living standards tended to converge between Australia and Britain, so that the prices at which a range of primary commodities and manufactured goods were exchanged in different periods may have reflected accurately the value of the socially necessary and surplus labour-time embodied in them.

Furthermore, in the light of the recent resurgence in nationalist and populist anxieties over foreign ownership in agriculture and mining, it is worth elaborating on Lee's discussion of how Bruce was seen as Australian in Britain, but when he extolled the merits of British investment his Australian critics claimed that he colluded with British exploitation of "Australia" or of the "Australian people". The extraction of surplus-value and its distribution between capitalists through commodity circulation and monetary exchange operated domestically and internationally irrespective of whether capital was Australian-owned or British-owned. However, the proponents of the exploitation thesis have suggested that the benefits of British investment were unidirectional as a result of the repatriation of profits, and, more specifically, as a consequence of the flow of capital from Australia to service the foreign debt, on the assumption that Australia was somehow entitled to interest-free loans and should have been released from the obligation to repay principal.

By any count, the arithmetic of costs and benefits for Australia should start with a consideration of the rates of return on British investment, even though this does not come within Lee's frame of reference. While Australia was an outlet for surplus capital that accumulated in London, despite fluctuations in relative rates of return on British domestic and overseas investment in different periods, the overall rates of return on

investment in the empire were about the same as those in Britain, but lower than those in some non-empire markets in Europe and the United States. Moreover, there is no clear evidence that rates of return on British investment in Australia were higher than the rates of return on comparable Australian investment in Australia. A more specific explanation of the effects of, and, the motives for, capital export to Australia requires a disaggregation of British industries, regions and social groups during long swings when rates of return varied between British domestic and overseas investment.

So, why did British investors send their capital to Australia? One answer is that capital export tended to surge in response to cyclical downturns in Britain and that Australian bonds were favoured because they provided stable income streams, rather than high rates of return, especially from railways and other infrastructure. From an Australian perspective, while some British investors profited and others lost money on speculative booms in Australian urban real estate, agricultural land development and mining ventures, as Bruce observed, the Commonwealth and the States were able to borrow in London with a minor premium for risk, even though they no longer resorted to British government guarantees, because British financiers, underwriters and investors believed there was almost no danger of default.

Obviously, while a discussion of Lee's biography cannot validate nor refute the exploitation thesis, another way of approaching the question of whether Australia was disadvantaged by reliance on Britain as a source of capital for private and public investment, including under the Bruce-Page government, is through the consideration of political decisions which had broad economic ramifications. At this point, comparative perspectives on Australia, Canada, South Africa and New Zealand as British dominions in works such as James Belic's magisterial *Replenishing the Earth* (2009) and in the econometric essays of David Greasley and Les Oxley are relevant. Greasley and Oxley have applied time series analysis from the 1870s to the 1960s and have indicated that movements in growth and incomes were transmitted between the Australian and British economies and led to a long-term convergence. Although it is difficult to weigh in the balance short-term and long-term impacts, Greasley and Oxley have suggested that in 1925 when Bruce took relatively autonomous action to coordinate Australia's return to the gold standard with Britain's decision to do so, he hoped that this would open the way to further loans in London and ease a cyclical contraction

in domestic investment. Instead, in order to preserve Britain's gold reserves, to defend the value of sterling and to ensure the availability of capital to British firms that catered for export markets, the Bank of England and the British Treasury imposed restrictions on borrowing by Australia.

Several steps removed, the economic downturn in 1925 led to Bruce's unsuccessful attempt to defeat workplace organization and industrial action by maritime unions. Bruce returned to labour market issues in 1929 when he introduced legislation to diminish union power, to enhance workplace discipline and to prevent centralised across-the-board wage increases as part of a plan to improve productivity. Lee documents how Bruce proposed to do this through the Maritime Industries Bill, which placed workers under a new type of industrial tribunal, established not under the conciliation and arbitration power of the constitution but under the interstate and foreign commerce power. More importantly, the bill foreshadowed the repeal of the Commonwealth Conciliation and Arbitration Act, so that industrial relations would be left to the States. When the bill was rejected in the House of Representatives, Bruce took the matter to an election in which he lost his seat and his government was defeated, an outcome that anticipated the fate of Prime Minister John Howard and his government's *Work Choices*.

Why has so much of the discussion around Lee's biography singled out Bruce's responses to the problems caused by foreign loans and national indebtedness? It seems that Lee's narrative has been drawn into the same sort of historical reflections that have appeared in the commentaries of professional economists, financial journalists and anti-capitalist protesters whom have debated the causes of the global financial crisis and the economic instruments and policy options available to governments. As Lee shows, in a not dissimilar way, Bruce was exercised by monetary stability mechanisms and by the management of public and private debt in what became "Bankrupt" states.

Once again, the nature and extent of Australian dependence was not obvious or settled. Lee refers to how the Bruce-Page government's formation of the Loan Council in 1924 consolidated the national debt and enhanced the bargaining power of Australian governments, both in relation to the London capital market and in relation to the Australian-owned trading banks. What Lee considers nation-building expenditures on roads, bridges, railways, sewerage, water works, docks and harbours,

which were funded largely from the London capital market both before and during the Bruce-Page government, reduced the overhead expenditures of rural industries, as well as those of commercial, manufacturing and mining companies, whether Australian-owned or British-owned. This was because services and infrastructure were provided to these industries and companies at less than their full cost.

While one year followed another, between 1919-20 and 1928-29, when the percentage of export income devoted to interest obligations increased from 16 per cent to 28 per cent, the Bank of England, the British Treasury and eventually Bruce himself, tried to restrict what they considered unsustainable borrowing. As the depression deepened, Bruce grasped the implications of interest payments on this scale after the collapse in commodity prices, the sharp decline in export income and the erosion of the sterling balances.

Despite the size of the foreign debt in the hands of British bondholders, Sir Otto Niemeyer, who visited Australia on behalf of the Bank of England, was unable to exercise much influence on the revenues and expenditures of Commonwealth and State budgets. For his part, in London, Bruce negotiated a compromise between British and Australian priorities whereby loans valued at more than £ 80 000 000 were gradually converted to lower rates of interest over two years. On the one side, the Bank of England, the British Treasury and the underwriters wanted the volume and timing of the conversions to be consistent with what the market would bear and worried about the consequences of a failed conversion for Australia's credit rating. On the other side, the Loan Council wanted to convert as much debt as quickly as possible to relieve budgetary pressure and to counter the criticism that the Australian people were bearing the costs of the depression while the British bondholders were not making any sacrifices.

Soon enough, issues around rearmament and imperial defence came to the fore. On a per capita basis, Australia spent less than half the amount spent by Britain on imperial defence. This meant that the Australian government minimised military expenditure and that more capital was available for productive investment in Australia. However, as Lee points out, during the Second World War, when he was High Commissioner to Britain, Bruce was not distracted by pro-imperial loyalty when he anticipated views attributed to Labor Party Prime Minister John Curtin

on the need to align Australia's defence with the United States rather than with Britain.

In terms of war finance, despite the reservations of the Bank of England and the British Treasury, in return for direct military support for Britain in Europe and the Middle East, Bruce secured agreements whereby Britain purchased all of Australia's wool and wheat and guaranteed, among other things, to maintain Australia's sterling balances in London at a surplus of £50 000 000. Public fixed-interest payments to foreign lenders fell by two-thirds between 1938-39 and 1945-46, Australia became a net creditor to Britain and the majority of Australia's public debt was held in Australia. All in all, the extent to which different classes, social strata and business groups in Australia and Britain were advantaged or disadvantaged by state-to-state imperial relations remains an open question.

Patrick Troy

**Accommodating Australians: Commonwealth
Government Involvement in Housing**

The Federation Press, Sydney, 2011, pp. 320, \$59.95

Reviewed by Frank Stilwell

Patrick Troy is a senior figure in Australian studies. For more than three decades he was a Fellow and then Director of the ANU's Urban Research Program, which was the nation's most important centre for research in this field and a seedbed for many of its researchers. He was also deputy head of the Whitlam Government's Department of Urban and Regional Development (DURD). His own writing has ranged over an array of urban problems and policy issues, usually with a strong emphasis on social equity and always concerned with understanding the historical dimension of how urban problems and policies have developed. Here he turns his personal experience, research skills and critical gaze on a central issue in Australian political economy – the seemingly perpetual and unresolved problem of providing adequate and affordable housing.

Accommodating Australians ought, in principle, to be less stressful than in most countries. The relatively small number of people relative to the usable land area, the nation's comparative overall affluence, its historical experience of state engagement in providing infrastructure and some distinctive institution-building experience (in fields such as inter-regional fiscal redistribution and industrial relations) should have stood us in good stead in dealing with this fundamental human right and social concern. However, as Troy emphasises, the practice has been recurrently disappointing. Housing remains inadequate and unaffordable for many; and government promises to address the problem through improving the supply, funding and allocation of public housing and/or subsidised private housing have recurrently not been realised in practice. Troy focuses on 'the rise and fall of public housing', tracing the story from the Commonwealth post-war reconstruction initiatives through to the current situation in which an inadequate public housing stock has become a welfare residual, effectively accessible only by those with officially-recognised multiple and special needs for state-provided accommodation.

The book compiles all of the relevant historical data, including statistics on dwelling completions and housing stock that the author extracted through archival research. It looks at the Commonwealth Housing Commission (CHC), the evolution of Commonwealth-State Housing Arrangements (CSHA) and the policy bias towards private home ownership that has been constructed to deliver and entrench benefits for the 'better off' (p. 4). It also includes illustrations showing the changing physical forms that housing has taken over the last seven decades – from little freestanding post-war cottages ('frugality sheathed in respectability'), to the high-rise tower block developments that peaked in the 1960s, and then on to mixed developments of walk-up flats and townhouses. Attention is also given to the distinctive Commonwealth housing interventions in Sydney's Glebe and Woollahra, which were landmark initiatives to restore terraced houses so that low-income residents would not be squeezed out from the gentrifying inner-city areas.

An interesting penultimate chapter in the book looks at housing in the broader context of town planning: this contains some particularly telling critiques, echoing Leonie Sandercock's earlier assessment that 'City planning in Australia...has failed to improve the welfare of our city dwellers' (quoted on p. 275). Troy's book similarly concludes, in relation to housing, that 'The accommodation of Australians is a story that

reveals there is no bi-partisan commitment to ensuring that there is equity of access to accommodation. In short, it is a story of policy failure' (p. 284).

This is a book that throws down the gauntlet to nation's political leaders, especially in the ALP, to try to recapture the practical commitment to public housing and the 'good city'. It provides a firm foundation for doing so by carefully documenting what has previously gone wrong and why. It is not always easy reading, because of the many twists and turns in the historical experience that the author documents, but it will surely stand the test of time as the definitive historical study of this important but perpetually frustrating field of public policy.

Patrick O'Leary and Peter Sheldon

Employer Power and Weakness: How Local and Global Factors Have Shaped Australia's Meat Industry and its Industrial Relations

Victorian Universities Regional Research Network Press,
Ballarat, 2012, pp. 222, \$29.95

Reviewed by Frank Stilwell

Processing fresh meat took an industrial character following the development of effective freezing technology in the 1860s. However, only since the Second World War has the Australian meat processing industry been a major exporting sector. Since then, global factors shaping demand and investment have interacted with local factors, such as the seasonal nature of livestock production, the geographical isolation of many of the regional processing centres, and local labour shortages. Working in abattoirs, producing and distributing fresh meat, is not everyone's first choice of employment; and there is a substantial proportion of itinerants in the workforce. Industrial relations considerations have frequently loomed large in the industry.

This monograph – originating as a PhD thesis written by the first-named author and supervised by the second – focuses particularly on how employers have sought to organise themselves in order to ensure their

profitability. The workers in the industry are effectively all covered by a single union – the Australian Meat Industry Employees' Union (AMIEU) – creating unity in circumstances where an otherwise dispersed and segmented workforce would lack the capacity for collective action. The employers have become increasingly well organised too, especially since the formation in 1986 of Australian Meat Holdings (AMH).

O'Leary and Sheldon explore three broad themes: 'what strategic choices have meat industry employers made in relation to industrial conflict?; why did they make these choices?; and how have these choices shaped industrial relations in the Australian meat industry?' (p. 5). Their methods of inquiry are historical and descriptive, including a couple of major case-studies – of R.J. Gilbertson's business (SBA Foods) in Victoria and of the South Burnett Meat Works Cooperative Association in Queensland. In trying to determine what shapes employers' power (or weakness), the authors seek to integrate company-based, organisational and institutional perspectives, putting particular emphasis on how employers' strategic choices affect their perceived legitimacy and industrial relations outcomes.

The historical approach taken in the book yields much rich detail. Stopping the story in the year 2001, however, limits the value of the work as a basis for considering current strategies and prospects in the industry. It also means that some of the political tensions that have been evident in recent years – such as concerns about the export of livestock for overseas rather than domestic processing – cannot get consideration. Also falling outside the timeframe of the book is the experience of having temporary Afghan refugees working in regional abattoirs (such as those in Young, NSW and Albany, WA), a situation that highlighted the awkward tension between the nation's restrictive refugee policy and the labour requirements of this rural industry during the last decade. Of course, time limits always have to be set in historical research. In this case, it is also a reminder that the book does not set out to provide an overall political economic analysis of the meat-processing industry: rather, reflecting its origins as a university thesis, it has a tighter focus on how employer power shaped industrial relations as the twentieth century progressed.

Erik Paul

Neoliberal Australia and US Imperialism in Asia

Palgrave Macmillan, Basingstoke, 2012, pp. 230, \$57.50

Reviewed by Frank Stilwell

Erik Paul writes about the structural violence engendered by modern states in a somewhat similar manner to Noam Chomsky excoriating the US Administration for its concentration and abuse of political economic and military power. The approach is detailed, wide-ranging and relentless in its sustained critique. In Paul's case, the focus is particularly on Australia – the 'deputy sheriff' for the US in the Pacific region – but it broadens out into a more general analysis of 'the American Imperial Project', the 'construction of east Asia' and the awesome prospects for superpower rivalry and war in the region.

An earlier version of one of the chapters – on the violence that is embedded in many aspects of Australian society, including victimisation, poor mental and physical health, crime and incarceration, racism and the politics of fear, appeared as an article in this journal (*JAPE*, No. 63, 2009). This is the most 'micro' level of analysis. The more 'macro' level in the book looks at relationships between states and at how capitalist interests shape state activities and international relations. The author seeks to demonstrate the diverse ways in which 'violence is built into the structure of the world system' (p. 77).

A system of 'unequal economic and political power relations dominated by powerful and rich countries' breeds recurrent tensions. While there is some dispersion of power between major blocs – the US, Europe and East Asia – few would question the overriding significance of US military power. This power underpins the interventionist role of the US as self-appointed global policeman, providing the muscle that is necessary to back US claims to be the enforcer of the 'free world. The 'freedom', however, is that of corporate capitalist interests, including the direct interests in the military-industrial complex itself. Many previous writings about the political economy of the global order and US imperialism have emphasised these features, of course, but the strengths of this new book are in drawing material together from such diverse sources, including newspapers, reports and websites as well as academic

works, and in bringing the story right up to date (although the omission of reference to the Gillard government's agreement to have US troops in the Northern Territory is somewhat surprising in this context). The emphasis on the multiple 'micro' and 'macro' manifestations of imperial relations, particularly in the East Asia-Pacific region, is also distinctive.

As Paul argues, 'the American imperial project has not bought peace but has inflamed the forces of nationalism and religion and has intensified geopolitical rivalries' (p. 13). Moreover, 'what happens in Australia is likely to be largely defined by the dynamics of the US-China hegemonic conflict' (p. 14). These are awesome prospects and necessarily raise key questions about why Australian political leaders in both major parties have been so irrevocably wedded to the US alliance. They also necessarily raise the question of what is to be done.

A brief concluding chapter entitled 'Reclaiming the State' looks at the possibilities of organising for peace, promoting equality democracy and reconciliation, and building more peaceful international relations in the region. Indeed, this is only a little 'optimism of the will' to set against the almost overwhelming 'pessimism of the intellect'. Some of the memorable phrases used as sub-headings throughout the book indicate its more general tenor: 'deterring democracy', 'the predatory state', 'zones of belligerency', 'frontiers of antagonism', 'imperial overstretch' and 'hegemonic crisis'.

Like Chomsky's work, Erik Paul's book is both impressive in its strength of evidence and uncomfortable to read because of its seemingly overwhelming implications. Indeed, one could be forgiven for seeking personal refuge by seeing what's on TV or going to the pub: but only to then find yourself confronted with discussion of the very same issues, albeit probably from a rather less relentlessly analytical and critical perspective. It is hard to escape the conclusion that some engagement with the issues considered in this book is a necessary part of being an informed citizen in a nation and region permeated by complex relationships of power and domination.